

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Midwest Renewable Energy Association, Inc.  
Custer, Wisconsin

We have audited the accompanying financial statements of Midwest Renewable Energy Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Midwest Renewable Energy Association, Inc., as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows 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). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Midwest Renewable Energy Association, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Midwest Renewable Energy Association, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement result from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Midwest Renewable Energy Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Midwest Renewable Energy Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

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.



**CliftonLarsonAllen LLP**

Stevens Point, Wisconsin  
December 11, 2023

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 344,639	\$ 555,802
Accounts Receivable, Net	249,137	398,523
Inventories	8,383	4,694
Prepaid Expenses	16,765	7,909
Total Current Assets	618,924	966,928
<b>PROPERTY AND EQUIPMENT</b>		
Land	309,665	309,665
Land Improvements	89,901	89,901
Buildings and Improvements	509,338	509,338
Furniture and Fixtures	42,323	42,323
Equipment	666,216	667,343
Vehicles and Trailers	140,921	140,921
Work in Progress	146,692	-
Total, at Cost	1,905,056	1,759,491
Less: Accumulated Depreciation	(979,592)	(917,355)
Total Property and Equipment	925,464	842,136
Total Assets	\$ 1,544,388	\$ 1,809,064
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 101,225	\$ 208,723
Accrued Expenses	106,331	91,254
Line of Credit	-	15,593
Deferred Revenue	18,980	10,303
Total Liabilities	226,536	325,873
<b>NET ASSETS</b>		
Without Donor Restrictions	1,225,419	1,362,892
With Donor Restrictions	92,433	120,299
Total Net Assets	1,317,852	1,483,191
Total Liabilities and Net Assets	\$ 1,544,388	\$ 1,809,064

See accompanying Notes to Financial Statements.

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND PUBLIC SUPPORT</b>						
Grants	\$ 38,414	\$ -	\$ 38,414	\$ 219,691	\$ -	\$ 219,691
Contributions	434,101	65,160	499,261	594,833	174,266	769,099
In-Kind Contributions	781	-	781	1,422	-	1,422
Memberships	93,195	-	93,195	142,843	-	142,843
Workshops and Programs Fees	993,556	-	993,556	762,019	-	762,019
Sponsorships	100,729	-	100,729	112,491	-	112,491
Merchandise and Equipment Sales, Net Cost of Goods Sold	(1,420)	-	(1,420)	(11,227)	-	(11,227)
Advertising	1,925	-	1,925	6,575	-	6,575
Interest	898	-	898	211	-	211
Rental Income	104	-	104	370	-	370
Other	1,265	-	1,265	2,904	-	2,904
Net Assets Released from Restriction	93,026	(93,026)	-	120,557	(120,557)	-
Total Revenue and Public Support	<u>1,756,574</u>	<u>(27,866)</u>	<u>1,728,708</u>	<u>1,952,689</u>	<u>53,709</u>	<u>2,006,398</u>
<b>EXPENSES</b>						
Program Services	1,449,092	-	1,449,092	1,586,736	-	1,586,736
Management and General	444,955	-	444,955	286,134	-	286,134
Total Expenses	<u>1,894,047</u>	<u>-</u>	<u>1,894,047</u>	<u>1,872,870</u>	<u>-</u>	<u>1,872,870</u>
<b>CHANGE IN NET ASSETS</b>	(137,473)	(27,866)	(165,339)	79,819	53,709	133,528
Net Assets - Beginning of Year	<u>1,362,892</u>	<u>120,299</u>	<u>1,483,191</u>	<u>1,283,073</u>	<u>66,590</u>	<u>1,349,663</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 1,225,419</u></u>	<u><u>\$ 92,433</u></u>	<u><u>\$ 1,317,852</u></u>	<u><u>\$ 1,362,892</u></u>	<u><u>\$ 120,299</u></u>	<u><u>\$ 1,483,191</u></u>

See accompanying Notes to Financial Statements.

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	Program Services								Total Program Services	Management and General	Total
	Energy Fair	Ed Institute	Solar Ready WI	Membership	Group Buy Program	Rise Up Midwest	Renew the Earth	Other Programs			
Salaries and Wages	\$ 130,403	\$ 301,822	\$ 76,552	\$ 9,628	\$ 130,073	\$ 56,422	\$ 47,932	\$ 39,721	\$ 792,553	\$ 287,990	\$ 1,080,543
Payroll Taxes	9,580	22,640	6,535	635	10,104	4,155	3,477	2,916	60,042	24,721	84,763
Advertising	12,815	891	-	-	3,911	150	-	-	17,767	-	17,767
Bank and Credit Card Fees	1,918	5,761	-	1,394	-	90	4	744	9,911	99	10,010
Dues and Subscriptions	1,949	55,075	16	524	1,615	2,190	53	1,737	63,159	9,102	72,261
Depreciation	-	-	-	-	-	-	-	-	-	63,013	63,013
Insurance	-	-	-	-	-	-	-	-	-	32,311	32,311
Licenses and Permits	891	349	-	-	-	-	231	-	1,471	379	1,850
Other	23	-	-	-	-	-	-	-	23	(222)	(199)
Member Benefits	-	265	790	5,860	-	-	-	-	6,915	-	6,915
Postage and Delivery	1,632	6,991	-	121	-	177	156	1,500	10,577	817	11,394
Printing and Reproduction	14,213	6,218	30	325	1,065	-	-	1,731	23,582	2,749	26,331
Program Expenses	2,046	-	-	-	350	200	494	3,961	7,051	-	7,051
Outside Services	89,989	25,275	37,979	-	28,401	5,500	599	-	187,743	14,148	201,891
Food and Beverage	22,084	1,335	-	-	559	-	269	83	24,330	335	24,665
Rent	47,125	1,013	78	-	259	-	736	-	49,211	-	49,211
Education	-	-	-	-	-	-	-	-	-	143	143
Travel	14,769	38,985	5,452	-	205	349	2,110	126	61,996	1,757	63,753
Stipends	210	10,840	-	-	-	500	-	-	11,550	-	11,550
Supplies	2,858	47,621	-	12	-	3,036	8,981	-	62,508	5,931	68,439
Telephone and Utilities	1,051	38	-	-	-	-	8,914	-	10,003	1,682	11,685
Trade Expenses	18,625	1,000	-	1,425	-	-	8,500	16,750	46,300	-	46,300
Scholarships	-	-	-	-	-	2,400	-	-	2,400	-	2,400
<b>Total Functional Expenses</b>	<b>\$ 372,181</b>	<b>\$ 526,119</b>	<b>\$ 127,432</b>	<b>\$ 19,924</b>	<b>\$ 176,542</b>	<b>\$ 75,169</b>	<b>\$ 82,456</b>	<b>\$ 69,269</b>	<b>\$ 1,449,092</b>	<b>\$ 444,955</b>	<b>\$ 1,894,047</b>

See accompanying Notes to Financial Statements.

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

	Program Services								Total Program Services	Management and General	Total
	Energy Fair	Ed Institute	Solar Ready WI	Membership	Group Buy Program	Rise Up Midwest	Renew the Earth	Other Programs			
Salaries and Wages	\$ 84,602	\$ 122,889	\$ 92,549	\$ 15,506	\$ 78,009	\$ 19,446	\$ 44,948	\$ 433,650	\$ 891,599	\$ 129,303	\$ 1,020,902
Payroll Taxes	7,571	15,897	12,540	1,100	11,557	3,641	3,531	11,670	67,507	32,987	100,494
Advertising	13,757	627	-	-	4,739	164	-	-	19,287	-	19,287
Bank and Credit Card Fees	1,917	4,212	-	1,688	-	470	5	357	8,649	10	8,659
Dues and Subscriptions	1,078	18,493	589	45	1,359	1,799	12	1,319	24,694	10,220	34,914
Depreciation	-	-	-	-	-	-	-	-	-	59,289	59,289
Insurance	-	-	-	-	-	-	-	-	-	30,234	30,234
Licenses and Permits	1,116	-	-	-	-	-	181	-	1,297	329	1,626
Other	2,075	-	2,851	7,000	21	-	-	835	12,782	107	12,889
Member Benefits	5	320	-	14,494	-	-	-	45	14,864	-	14,864
Postage and Delivery	2,062	2,037	-	418	26	872	140	2,950	8,505	548	9,053
Printing and Reproduction	19,789	3,879	166	-	4,001	2,572	18	5,730	36,155	260	36,415
Program Expenses	18,069	25	500	331	395	-	773	5,099	25,192	10	25,202
Outside Services	66,154	8,871	108,204	-	63,775	2,100	919	-	250,023	16,637	266,660
Food and Beverage	20,012	630	85	-	128	-	165	211	21,231	420	21,651
Rent	53,613	1,023	-	-	75	315	703	4,167	59,896	-	59,896
Education	-	-	-	-	-	-	-	-	-	1,450	1,450
Travel	10,609	9,384	2,720	-	342	1,324	3,990	806	29,175	130	29,305
Stipends	225	5,260	-	-	-	5,311	-	-	10,796	-	10,796
Supplies	7,053	15,689	-	49	-	3,973	16,782	-	43,546	3,790	47,336
Telephone and Utilities	1,919	149	35	-	-	280	7,723	-	10,106	410	10,516
Trade Expenses	28,505	1,000	-	2,375	-	-	-	8,552	40,432	-	40,432
Scholarships	-	-	3,000	-	-	7,900	-	100	11,000	-	11,000
<b>Total Functional Expenses</b>	<b>\$ 340,131</b>	<b>\$ 210,385</b>	<b>\$ 223,239</b>	<b>\$ 43,006</b>	<b>\$ 164,427</b>	<b>\$ 50,167</b>	<b>\$ 79,890</b>	<b>\$ 475,491</b>	<b>\$ 1,586,736</b>	<b>\$ 286,134</b>	<b>\$ 1,872,870</b>

See accompanying Notes to Financial Statements.

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (165,339)	\$ 133,528
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	63,013	59,289
Gain on Sale of Property and Equipment	-	(12,031)
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	149,386	(202,046)
Inventories	(3,689)	(465)
Prepaid Expenses	(8,856)	3,896
Accounts Payable	(107,498)	135,135
Accrued Expenses	15,077	24,102
Deferred Revenue	8,677	(26,329)
Net Cash Provided (Used) by Operating Activities	(49,229)	115,079
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(146,341)	(65,661)
Net Cash Used by Investing Activities	(146,341)	(65,661)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Change in Line of Credit	(15,593)	15,593
Net Cash Provided (Used) by Financing Activities	(15,593)	15,593
 <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(211,163)	65,011
Cash and Cash Equivalents - Beginning of Year	555,802	490,791
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 344,639	\$ 555,802

See accompanying Notes to Financial Statements.

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Midwest Renewable Energy Association, Inc. (the Association) promotes renewable energy, energy efficiency, and sustainable living through education and demonstration. The Association's primary sources of revenue are membership dues, sponsorships, contributions, grants, and program fees.

**Basis of Accounting**

The Association's policy is to prepare its financial statements on the accrual basis of accounting; consequently, most revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

**Basis of Presentation**

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Association's net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Revenue Recognition**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Membership dues are based on an anniversary date when the member registered and recognized when distinct performance obligations are delivered to members and the general member benefits are considered a bundled group of performance obligations that are delivered to members throughout the membership period.

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

Membership dues are based on an anniversary date when the member registered and recognized when distinct performance obligations are delivered to members and the general member benefits are considered a bundled group of performance obligations that are delivered to members throughout the membership period.

	2023	2022
Deferred Membership Revenue, Beginning of Year	\$ 1,630	\$ 3,625
Membership Revenue Recognized	93,195	142,843
Collections of Membership Dues and Assessments	(94,155)	(144,838)
Deferred Membership Revenue, End of Year	\$ 670	\$ 1,630

The Association recognizes workshop, program, and event fees on the accrual basis of accounting at the time the provided service has been completed.

	2023	2022
Deferred Program Revenue, Beginning of Year	\$ 3,673	\$ 16,177
Program Revenue Recognized	993,556	762,019
Collections of Program Revenue	(983,719)	(774,523)
Deferred Program Revenue, End of Year	\$ 13,510	\$ 3,673

Sponsorships are recognized when the associated performance obligation is satisfied.

	2023	2022
Deferred Sponsorship Revenue, Beginning of Year	\$ 5,000	\$ 16,830
Sponsorship Revenue Recognized	100,729	112,491
Collections of Sponsorship Revenue	(105,729)	(124,321)
Deferred Sponsorship Revenue, End of Year	\$ -	\$ 5,000

Advertising income is recognized when the associated performance obligation is satisfied.

	2023	2022
Deferred Sponsorship Revenue, Beginning of Year	\$ -	\$ -
Sponsorship Revenue Recognized	1,925	6,575
Collections of Sponsorship Revenue	6,725	(6,575)
Deferred Sponsorship Revenue, End of Year	\$ 4,800	\$ -

Income received for special events is recognized in the period to which the event relates. Merchandise sales and costs of goods sold are reported net of discounts, estimated returns, and sales taxes.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Association considers all unrestricted highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation up to certain limits. The uninsured cash balance was \$75,764 and \$284,101 as of June 30, 2023 and 2022.

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

Accounts receivable are due within 30 days of the billing date and are considered delinquent if not paid within that period.

No allowance for doubtful accounts has been established as management has deemed all accounts to be collectible as of June 30, 2023 and 2022.

**Inventories**

Inventories consist of promotional items, reference materials, and equipment and are stated at the lower of cost or net realizable value, on a first-in, first-out basis.

**Property and Equipment**

Property and equipment are stated at cost at the date of acquisition, or at fair value if donated. The Association's policy is to capitalize property and equipment purchased or donated with a value in excess of \$2,500. Expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation of property and equipment is provided over the estimated useful lives (ranging from 5 to 40 years) of the respective assets on a straight-line basis. Depreciation expense for the years ended June 30, 2023 and 2022 was \$63,013 and \$59,289, respectively.

**Contributed Goods and Services**

The Association recognizes contributed goods and contributed professional services from third parties as revenue and as expense or assets at the fair value of those goods and services when received. While the Association benefits from a large number of volunteer hours, only services requiring specialized skills and provided by individuals possessing those skills are recognized in the financial statements.

Contributed goods consisted of donated property and equipment or supplies totaling \$531 and \$1,031 for the years ended June 30, 2023 and 2022, respectively.

Contributed services consisted of services by professional consultants providing program training totaling \$250 and \$391 for the years ended June 30, 2023 and 2022, respectively.

Donated goods are valued at the fair value that the Association would pay for similar items, and contributed services are valued at the current rate for similar services.

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government Contracts**

Conditional government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each contract, are made. Funds received but not yet earned are shown as Deferred Revenue. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Association will record such disallowance at the time the final assessment is made.

A portion of the Association's revenue is derived from cost-reimbursable contracts and grants. Amounts received are recognized as earned and are reported as revenue when the Association has incurred expenditures in compliance with specific contract or grant provisions. Amounts received but not yet earned are reported as a refundable advance in the statement of financial position. As of June 30, 2023 and 2022, the Association received cost-reimbursable grants of \$-0- and \$38,030, respectively, for which qualifying expenditures have not yet been incurred, with no refundable advances.

**Functional Allocation of Expenses**

The costs of providing the Association's various programs and supporting services have been summarized on a functional basis in the statements of activities and by natural classification in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on an analysis of personnel time and space utilized for the related activities.

There were no material fundraising expenses for the years ended June 30, 2023 and 2022.

**Advertising**

The Association expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2023 and 2022 was \$21,792 and \$24,787, respectively. Of the total advertising expense, \$11,304 and \$5,500 as of June 30, 2023 and 2022, respectively, was traded advertising with various vendors.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Tax Status**

The Association is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and similar state statutes. However, income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income.

The Association evaluated its tax positions and determined it has no uncertain tax positions as of June 30, 2023.

**Adoption of Accounting Pronouncement**

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations related to leasing activities. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Implementation of the new standard did not result in material changes to amounts reported in the financial statements.

The Association has elected to adopt the package of practical expedients available in the year of adoption. The Association has elected to adopt the available practical expedient to use hindsight in determining the lease term. Adoption of the new standard did not result in a material impact, as a result no adjustment was made in the current year.

The Association has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position. All existing leases have a term of 12 months or less and therefore the adoption of the new standard did not have a material impact.

**Subsequent Events**

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through December 11, 2023, the date the financial statements were available to be issued.

**NOTE 2 LINE OF CREDIT**

The Association has a line of credit with a limit of \$225,000 at a local bank. The line renews annually and the interest rate was 5.50% as of June 30, 2023. The balance was \$-0- and \$15,593, respectively, at June 30, 2023 and 2022. The line of credit is secured by real estate. The line of credit has been renewed subsequent to year-end at 8.85% through September 2, 2024.

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 3 LEASES**

The Association leases equipment and meeting rooms on a short-term basis each year. Total rent of equipment and facilities was \$49,211 and \$59,896 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following:

	2023	2022
Subject to Expenditure for Specific Purpose:		
Rise up Midwest	\$ 22,747	\$ 85,476
Solar Corps Program	19,686	18,224
Grow Solar: Midwest Energy Resource	50,000	-
Subject to Passage of Time and Purpose:		
Rise Up Midwest	-	4,780
Wisconsin Focus on Energy	-	11,819
Total Net Assets With Donor Restrictions	\$ 92,433	\$ 120,299

Net assets released from donor restrictions consisted of the following:

	2023	2022
Subject to Expenditure for Specific Purpose:		
Clean Energy Scholarship Funds	\$ -	\$ 894
Rise up Midwest	72,788	27,196
Group Buy Program	-	808
Solar Corps Program	3,639	15,108
Grow Solar Program	-	33,335
Subject to Passage of Time and Purpose:		
Rise Up Midwest	4,780	5,035
Wisconsin Focus on Energy	11,819	38,181
Total Net Assets Released from Restrictions	\$ 93,026	\$ 120,557

**MIDWEST RENEWABLE ENERGY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 5 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2023	2022
Cash and Cash Equivalents	\$ 344,639	\$ 555,802
Accounts Receivable, Net	249,137	398,523
Less: Net Assets With Donor Restrictions	(92,433)	(120,299)
Total Financial Assets Available to Meet General Expenditures within One Year	\$ 501,343	\$ 834,026

As part of their liquidity management plan, the Association invests cash in short-term investments, certificates of deposits, and money market funds.

**NOTE 6 RELATED PARTY**

The Association had sales of \$108,767 and \$41,254 with a company where a board member is a key employee for the years ended June 30, 2023 and 2022, respectively. The Association had related receivables of \$73,989 and \$38,234 for the years ended June 30, 2023 and 2022, respectively.

The Association had expenses of \$30,674 and \$-0- with a company where a board member is a key employee for the years ended June 30, 2023 and 2022, respectively. The Association had related payables of \$-0- for the years ended June 30, 2023 and 2022.

**NOTE 7 CONCENTRATIONS**

The Association had no major funding sources that made up a material percentage of the revenue for the year ended June 30, 2023. The Association had two major funding sources which made up 27% of revenue for the year ended June 30, 2022.

The Association had three customers that made up 62% of the receivables for the year ended June 30, 2023. The Association had four customers that made up 52% of the receivables for the year ended June 30, 2022.



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