MIDWEST ENERGY EFFICIENCY ALLIANCE

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

MIDWEST ENERGY EFFICIENCY ALLIANCE

CONTENT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Midwest Energy Efficiency Alliance

Report on the Financial Statements

We have audited the accompanying financial statements of Midwest Energy Efficiency Alliance (a not-for-profit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

MARCUMGROUP
MEMBER

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Midwest Energy Efficiency Alliance as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Midwest Energy Efficiency Alliance adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Based on the clarified guidance of ASU 2014-19, Midwest Energy Efficiency Alliance restated net assets as of July 1, 2020 to decrease by $120,529. Our opinion is not modified with respect to that matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Stan*dards, we have also issued our report dated December 6, 2021 on our consideration of Midwest Energy Efficiency Alliance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, controls and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Midwest Energy Efficiency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Midwest Energy Efficiency Alliance's internal control over financial reporting and compliance.

Marcum LLP

Deerfield, IL
December 6, 2021

MIDWEST ENERGY EFFICIENCY ALLIANCE

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

Assets		
Current Assets		
Cash and Cash Equivalents:		
Cash and cash equivalents	$ 862,258	
Cash and cash equivalents - operating reserve	775,000	
Cash and cash equivalents - strategic reserve	660,363	
Total Cash and Cash Equivalents	2,297,621	
Accounts receivable, net	385,025	
Investments	1,481,016	
Prepaid expenses	49,359	
Total Current Assets		$ 4,213,021
Property and Equipment, Net		11,924
Total Assets		$ 4,224,945

The accompanying notes are an integral part of these financial statements.

MIDWEST ENERGY EFFICIENCY ALLIANCE

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 68,201	
Accrued expenses and other current liabilities	160,312	
Deferred membership	210,494	
Deferred revenue - tuition	39,797	
Grants/Sponsorships/Program revenue received in advance	82,704	
Deferred rent	9,569	
Total Current Liabilities		$ 571,077
Net Assets		
Without donor restrictions	3,484,858	
With donor restrictions	169,010	
Total Net Assets		3,653,868
Total Liabilities and Net Assets		$ 4,224,945

The accompanying notes are an integral part of these financial statements.

MIDWEST ENERGY EFFICIENCY ALLIANCE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Government grants	$ --	$ 203,586	$ 203,586
Foundation grants	--	486,340	486,340
Municipal utility and nonprofit grants	--	861,559	861,559
Membership	617,676	--	617,676
Tuition income	293,587	--	293,587
Conference and workshop income	249,431	--	249,431
Miscellaneous	600	--	600
Interest income	7,145	--	7,145
Net assets released from restriction by satisfaction of program requirements	1,531,503	(1,531,503)	--
Total Revenue and Other Support	2,699,942	19,982	2,719,924
Expenses			
Program	1,977,892	--	1,977,892
Management and general	984,815	--	984,815
Fundraising and development	3,040	--	3,040
Total Expenses	2,965,747	--	2,965,747
Operating Revenue and Support Under Expenses	(265,805)	19,982	(245,823)
Nonoperating Support and Revenue			
Paycheck Protection Program loan forgiveness	619,030	--	619,030
Change in Net Assets	353,225	19,982	373,207
Net Assets - Beginning, As Restated	3,131,633	149,028	3,280,661
Net Assets - Ending	$ 3,484,858	$ 169,010	$ 3,653,868

The accompanying notes are an integral part of these financial statements.

MIDWEST ENERGY EFFICIENCY ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	Program	Management and General	Fundraising and Development	Total
Bank service and merchant account fees	$ 9,650	$ 3,337	$ --	$ 12,987
Bad debts	--	11,446	$ --	11,446
Computer expense	28,449	23,029	--	51,478
Depreciation and amortization	43,325	23,846	--	67,171
Dues, licenses and fees	11,677	5,669	--	17,346
Employee costs - retirement plan, recruitment, education, workers' compensation insurance	53,252	19,534	63	72,849
Gifts and grants	46	11,005	--	11,051
Insurance - health, life and disability	100,642	25,071	229	125,942
Insurance - organizational and liability	905	29,999	--	30,904
Meeting and conferences	63,094	550	--	63,644
Payroll taxes	82,578	20,772	176	103,526
Postage and delivery	837	1,358	--	2,195
Printing and reproduction - outsourced	2,347	654	--	3,001
Professional fees - accounting	--	23,000	--	23,000
Professional fees - consulting	3,638	5,025	--	8,663
Professional fees - legal	9,130	4,716	--	13,846
Professional fees - public relations	75	--	--	75
Program expense - direct - training programs	249,651	--	--	249,651
Office expenses	390	7,639	--	8,029
Rent	101,837	56,050	--	157,887
Salaries and wages	985,476	549,237	2,555	1,537,268
Sponsorship	9,960	--	--	9,960
Subcontractors	134,441	115,280	--	249,721
Supplies and publications	1,534	1,816	--	3,350
Telecommunications	29,774	8,337	--	38,111
Travel, meals and entertainment	496	11,860	--	12,356
Unemployment taxes	9,804	2,761	17	12,582
Utilities	36,535	20,109	--	56,644
Website	8,349	2,715	--	11,064
Total Expenses	$ 1,977,892	$ 984,815	$ 3,040	$ 2,965,747

The accompanying notes are an integral part of these financial statements.

MIDWEST ENERGY EFFICIENCY ALLIANCE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

Cash Flows From Operating Activities		
Change in net assets		$ 373,207
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	$ 67,171	
Bad debt expense	11,446	
Decrease in deferred rent	(111,086)	
Paycheck Protection Program loan forgiveness	(619,030)	
Changes in operating assets and liabilities:		
Accounts receivable	(65,040)	
Prepaid expenses	5,494	
Accounts payable	31,354	
Accrued expenses and other current liabilities	45,802	
Deferred membership and tuition	126,762	
Total Adjustments		(507,127)
Net Cash Used in Operating Activities		(133,920)
Cash Flows From Investing Activities		
Purchases of investments	(1,481,016)	
Proceeds from investments	1,224,622	
Net Cash Used in Investing Activities		(256,394)
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan	309,515	
Net Cash Provided by Financing Activities		309,515
Net Decrease in Cash and Cash Equivalents		(80,799)
Cash and Cash Equivalents - Beginning		2,378,420
Cash and Cash Equivalents - Ending		$ 2,297,621

The accompanying notes are an integral part of these financial statements.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Midwest Energy Efficiency Alliance ("MEEA") was incorporated under the laws of Illinois on March 22, 2000, as a not-for-profit corporation. The purpose of the corporation is to develop, design, implement and coordinate energy efficiency and renewable energy resource programs, projects and educational activities in the Midwest.

CASH FLOWS

MEEA considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased.

CASH BALANCES IN EXCESS OF INSURED AMOUNTS

MEEA maintains its cash in accounts which, at times, may exceed federally insured limits. MEEA has not experienced any losses due to these limits.

CLASSES OF NET ASSETS

The accounts of MEEA are maintained in accordance with the principles of fund accounting, whereby resources are classified for accounting and reporting purposes into net assets established according to their nature and purposes.

Net Assets without Donor Restrictions
Net assets without donor restrictions represents the portion of expendable funds that are available for the daily operations of MEEA, which are not limited by donor restriction as to use.

Net Assets with Donor Restrictions
Net assets with donor restrictions consists of donor-restricted contributions for specified projects as well as contributions received with time restrictions. When a net asset with restrictions expires, net assets are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. At June 30, 2021, net assets with donor restrictions consist of purpose restrictions of $169,010 for education related to savings from building codes, access to programs, and utility program best practices, as well as outreach to cities for interacting with future code development. This amount represents revenue for programs to be implemented in the future, and although the revenue is recognized in the current period, the related expenses will not be recognized until they are incurred.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL EXPENSES

The statement of functional expenses presents the expenses by function and natural classification. Expenses directly attributable to specific functional areas are reported as expenses of those functional areas. Certain categories of expenses are attributed to one or more supporting function of the Organization, which are allocated based on estimates of time and effort done on a yearly basis or in the case of expenses regarding office and occupancy costs, allocated on an analysis of square footage utilized.

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). The guidance in ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

MEEA adopted the new guidance for the year ended June 30, 2021 under the modified retrospective approach applied to certain contracts which were not completed as of June 30, 2020 using the practical expedient in paragraph 606-10-10-4 that allows for the use of a portfolio approach, because management determined that the effect of applying the guidance to MEEA's portfolio of contracts within the scope of ASU 2014-09 on the financial statements would not differ materially from applying the guidance to each individual contract within the respective portfolio or MEEA's performance obligations within that portfolio. This approach will also be used for future contract modifications, if any. The five step model defined in ASU 2014-09 requires MEEA to (1) identify contracts with customers, (2) identify performance obligations under those contracts, (3) determine the transaction price of those contracts, (4) allocate the transaction price to the performance obligations under those contracts, and (5) recognize revenue when each performance obligation under those contracts is satisfied. Revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under the new standard, management determined revenue recognition related to MEEA's membership income and tuition income was affected. At June 30, 2020, MEEA recorded a cumulative adjustment to decrease net assets without donor restrictions by $120,529, offset by an increase in deferred membership of $105,569 and an increase in deferred revenue – tuition of $14,960 which resulted in beginning net assets at June 30, 2020 originally reported of $3,252,162 (without donor restrictions) and $149,028 (with donor restrictions) being restated.

In accordance with ASU 2014-09, the disclosure of the impact of adoption on MEEA's statement of financial position and statement of activities and changes in net assets as of and for the year ended June 30, 2021, was as follows:

	Without adoption of ASC 606	Adjustment for ASC 606	As reported
Statement of Financial Position:			
Deferred membership	$ 70,707	$ 139,787	$ 210,494
Deferred revenue - tuition	--	39,797	39,797
Net assets without donor restrictions	3,664,442	(179,584)	3,484,858
Statement of Activities and Changes in Net Assets:			
Membership	$ 651,894	$ (934,218)	$ 617,676
Tuition income	318,424	(24,837)	293,587
Change in net assets	432,262	(59,055)	373,207

In June 2018, FASB issued Accounting Standards Update ("ASU") 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. MEEA has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION AND ACCOUNTS RECEIVABLE

MEEA receives support and revenue from various funding sources in order to accomplish its energy efficiency programs. Revenue and other support is recognized in the period earned or awarded and is available for unrestricted use unless explicit donor stipulations specify how or when the funds may be used. Grants may be recognized as revenue either when received or based on a cost-reimbursement methodology as stated in the grant agreement. Dues from members are recognized in the membership year in accordance with ASC 606. Dues received in advance of the membership year are reflected as deferred membership on the statement of financial position. Deferred membership was $210,494 at June 30, 2021. In accordance with ASC 606, tuition income is recognized when the performance obligation has been met, which is when the related class instruction takes place. Deferred revenue – tuition was $39,797 at June 30, 2021 for classes that will take place in the next fiscal year.

Accounts receivable represent amounts charged to grants that are not yet received as well as dues owed from members. Accounts receivable are recorded at their net realizable value. MEEA provides an allowance for doubtful accounts based upon historical collection experience, coupled with an annual review of the current status of existing accounts. The allowance for doubtful accounts was $11,446 as of June 30, 2021.

INCOME TAXES

MEEA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, MEEA has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. Therefore, MEEA has made no provision for income taxes in the accompanying financial statements.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES (CONTINUED)

Accounting principles generally accepted in the United States of America ("GAAP") require management to evaluate tax positions taken by MEEA and recognize a tax liability (or asset) if MEEA has taken uncertain positions that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by MEEA, and has concluded that as of June 30, 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. MEEA is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress. If MEEA were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax would be reported as income taxes.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts 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. While actual results may differ from those estimates, management does not expect the differences, if any, to have a material effect on the financial statements.

SUBSEQUENT EVENTS

MEEA has evaluated subsequent events through December 6, 2021, the date the financial statements were available to be issued. No events requiring recognition or disclosure in the financial statements were identified except as described on Notes 6 and 7.

NOTE 2 - PROPERTY AND EQUIPMENT

Equipment, furniture, and leasehold improvements are recorded at cost or fair value if contributed. It is MEEA's policy to capitalize expenditures for long-lived assets if they are over $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Property and equipment consists of the following at June 30, 2021:

		Estimated Useful Lives
Leasehold improvements	$532,680	10
Furniture and equipment	140,979	5-10
Computer equipment and software	105,380	3-5
Total Cost	779,039	
Less: accumulated depreciation	(767,115)	
Property and Equipment, Net	$ 11,924	

NOTE 3 - RETIREMENT PLAN

MEEA has a tax deferred savings plan covering eligible employees, as defined by the plan documents. Employees are allowed to make elective deferrals up to the maximum allowed by the Internal Revenue Code. MEEA, at its discretion, may contribute on behalf of each of the employees who are participants of the plan, an amount up to 50% of the first 6% of compensation. The contribution expense under the plan was $60,725 for the year ended June 30, 2021.

NOTE 4 - FAIR VALUE MEASUREMENTS

The fair value measurements and disclosures topic defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It describes three approaches to measuring the fair value of assets and liabilities: 1) the market approach, 2) the income approach and 3) the cost approach. Each of these approaches includes multiple valuation techniques. It does not prescribe which valuation technique should be used when measuring fair value, but does establish a fair value hierarchy that prioritizes the inputs used in applying the various techniques. Inputs broadly refer to the assumptions that market participants use to make pricing decisions, including assumptions about risk. Level 1 inputs are given the highest priority in the hierarchy while Level 3 inputs are given the lowest priority. Assets and liabilities carried at fair value are classified in one of the following three categories based upon the nature of the inputs to the valuation technique used:

Level 1
Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2
Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3
Unobservable inputs that are not corroborated by market data. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth, by level within the fair value hierarchy, MEEA's only assets that were accounted for at fair value on a recurring basis as of June 30, 2021. As required by the fair value measurements and disclosures topic, these assets are classified in their entirety based on the lowest level input that is significant to the fair value measurement. MEEA's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect their placement within the fair value hierarchy levels. There have been no changes in valuation techniques for the year ended June 30, 2021.

Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Treasury notes	$ 753,957	$ 753,957	$ --	$ --
Total Leveled Assets	$ 753,957	$ 753,957	$ --	$ --
Certificates of deposit	727,059			
Total Investments	$1,481,016			

Certificates of deposit are valued at cost including accrued interest in the table above. Interest rates on the certificates of deposit range from 0.10% to 0.25% and maturity dates range from July 2021 to April 2022. Subsequent to year end, certificates of deposit that matured were renewed.

The fair value of MEEA's treasury notes are based on readily available quoted market prices for treasury notes. Therefore, they are classified as Level 1 assets.

NOTE 5 - LINE OF CREDIT

MEEA has a $250,000 line of credit available with Fifth Third Bank which expires on November 30, 2021. The note is secured by corporate assets of MEEA as defined by the agreement. Interest is computed at the bank's prime interest rate plus 1.00% (prime rate was 3.25% as of June 30, 2021), with a floor of 4.00%. During the year, no advance was taken on the line of credit, and as of June 30, 2021 there was no amount due.

NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN

On May 12, 2020, MEEA obtained a $309,515 Paycheck Protection Program loan (“PPP”) issued through the Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act ("CARES"). On February 10, 2021, MEEA obtained an additional PPP loan in the amount of $309,515. The loans bore interest at a rate of 1% per annum and had a deferral period of six months, during which time no payments were due.

MEEA elected to account for these funds as a conditional contribution under FASB ASC 958-605, *Not for Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Recorded and Contributions Made*. As such, MEEA was able to recognize revenue to the extent that conditions were met. During the year ended June 30, 2021, MEEA met the conditions associated with the PPP loans.

Subsequent to year-end, the loan was forgiven by the lender and the SBA and the funds received including related interest have been treated as a contribution for the year ended June 30, 2021.

NOTE 7 - LEASE

MEEA has a lease agreement for office space in Chicago, Illinois. The lease, which began March 1, 2011 and expired August 1, 2021, required monthly rent in the range of $17,941 to $22,406 as the lease progresses. The lessor provided various incentives to MEEA upon the signing of the lease. First, the lessor contributed $532,680 towards improvements made to the leased space. In addition, the lessor provided furniture in the amount of $62,401. The lessor also provided full rent abatement for the period from March 2011 through May 2012 totaling $179,410 and partial rent abatement for the period from June 2012 through January 2013 totaling $32,943. These incentives have been included as part of the deferred rent payable. As part of the lease agreement, MEEA was required to keep a letter of credit in the amount of $210,000 for the first four years of the lease. On August 1, 2015, the required letter of credit amount reduced to $175,000 and has been further reduced to $50,000 at June 30, 2021. Cash and cash equivalents of approximately $50,000 serve as collateral for the letter of credit.

Subsequent to year-end, MEEA signed an amended lease, which expires December 31, 2026. Base rent ranges from $14,057 to $15,904 per month with rent abatement for various months.

NOTE 7 – LEASE (CONTINUED)

In accordance with accounting principles generally accepted in the United States of America, rent expense is recorded on a straight-line basis over the life of the lease. Rent expense for the year ended June 30, 2021 is $157,887. The deferred rent payable balance is $9,569 at June 30, 2021.

Future minimum rental payments due under the lease are $22,406 for the year ending June 30, 2022.

NOTE 8 - SUPPORT AND REVENUE

MEEA's various programs and amounts received including the outstanding accounts receivable as of and for the year ended June 30, 2021 are as follows:

Program Name	Description	Revenue 2021	Accounts Receivable at June 30, 2021
Building Operator Certification	An educational program targeted to building operators to inform them about low to no cost methods of improving the energy efficiency of their facilities.	$ 481,917	$ 28,017
Membership	Membership Dues from MEEA members to support the energy efficiency mission of the organization.	617,676	44,899
Midwest Energy Solutions Conference	A regional conference to promote energy efficiency and educate stakeholders throughout the Midwest.	249,431	285
Joyce Foundation	Joyce Foundation funded project to educate public utilities commissions, legislators, governors and advocates on energy efficiency.	300,000	--
EF Policy IL, MI and OH	Support with advocacy/analysis/research Energy Foundation state energy tables (general and building policy) in IL, MI and OH	50,000	--
NE Training	Energy code support program that provides training and education to stakeholders in Nebraska on energy code requirements and advanced technologies. Funded by U.S. DOE in partnership with NE DEE and NCOA.	87,715	38,091

NOTE 8 - SUPPORT AND REVENUE (CONTINUED)

Program Name	Description	Revenue 2021	Accounts Receivable at June 30, 2021
NEEP Pre-Fab	Research about off-site construction and remote virtual inspections funded by the US Dept. of Energy in partnership with NEEP.	$ 51,244	$ 14,139
MT-RI	Support of the Midwest Market Transformation Collaborative under contract to Resource Innovations.	55,045	--
K12 Outreach	School Program (K-12) Outreach Assistance in ComEd service territory.	144,851	947,253
Ameren MO Codes 19-21	Manage 3 year residential energy code compliance support program in Ameren MO territory.	261,379	56,255
Ameren MO-RE	Training for Realtors and Appraisers in Ameren MO territory. Home energy audit coupons for recent home buyers and incentivized self-assessments for residential customers.	115,875	27,400
Energy Foundation - Multi Family	Energy Foundation funded program to educate policymakers and stakeholders to improve access to energy efficiency programs in the affordable multifamily sector.	70,000	--
IL SAG	Meeting Facilitation & Facility Support for the Illinois Stakeholder Advisory Group.	25,927	5,229
ISEIF	Illinois Science and Energy Innovation Foundation/Smart Grid training for Real Estate Professionals.	50,000	--
Interest and Miscellaneous Income	Bank account interest revenue, certificate of deposit interest revenue, travel reimbursements, and other miscellaneous income.	7,745	--
PPP Loan	PPP loans that were forgiven in the 2021 period.	619,030	--
NPSM	E4theFuture funding to coordinate and provide outreach to support educating states on National Standards Practice Manual	9,438	750

NOTE 8 - SUPPORT AND REVENUE (CONTINUED)

Program Name	Description	Revenue 2021	Accounts Receivable at June 30, 2021
HEA-Homebuyer Energy Access	Realtor Outreach/Score Card Pilot in ComEd territory contracted through Elevate Energy	$ 7,445	$ 2,148
GTI T05 15-19	MEEA is a member of a research team studying building science topics and has a grant from DOE in partnership with GTI (Gas Technology Institute) and the University of Illinois. Funding flows from DOE through GTI to MEEA.	22,910	4,550
MN Card Grant	Subcontractor to 2050 Partners to develop a roadmap for the development and implementation of a codes and standards utility program in Minnesota.	25,734	--
MO Resiliency	Support MO Division of Energy's community resilience project through stakeholder engagement and energy efficiency education	16,340	--
ERC-CHP	Energy Resource Center – Combined Heat and Power Research	6,162	6,162
IL Codes BPS	Phase I of project with Slipstream on advancing stretch codes and building performance standards, funded by IL utilities.	20,505	--
IL BPS Ph2	Phase II of project with Slipstream on advancing stretch codes and building performance standards, funded by IL utilities.	42,585	21,293
Less: allowance for doubtful accounts		--	(11,446)
Total		$ 3,338,954	$ 385,025

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects certain of MEEA's financial assets as of June 30, 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or are classified as assets held in perpetual trust.

	Amount
Cash and cash equivalents	$2,297,621
Investments	1,481,016
Accounts receivable	385,025
Financial Assets at Year-End	4,163,662
Less: amounts designated as collateral for the letter of credit	(50,000)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$4,113,662

MEEA has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. In addition, MEEA has a $250,000 line of credit that matures November 30, 2021 of which no funds have been drawn down as of June 30, 2021 (see Note 5).

NOTE 10 - RISKS AND UNCERTAINTIES

In a media briefing on March 11, 2020, the World Health Organization ("WHO") declared that the novel coronavirus that causes coronavirus disease 2019 ("COVID-19") has been characterized as a pandemic due to the spread and severity of the virus. The potential future impact, if any, to MEEA cannot be reasonably determined as of the date of this report, and therefore no adjustments have been made to these financial statements as a result of this matter.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Midwest Energy Efficiency Alliance

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Midwest Energy Efficiency Alliance, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year ended June 30, 2021, and have issued our report thereon dated December 6, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Midwest Energy Efficiency Alliance's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Midwest Energy Efficiency Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of Midwest Energy Efficiency Alliance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MARCUMGROUP
MEMBER

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Midwest Energy Efficiency Alliance's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Deerfield, IL
December 6, 2021