INSTITUTE FOR ENERGY ECONOMICS AND FINANCIAL ANALYSIS, INC. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

(WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

INSTITUTE FOR ENERGY ECONOMICS AND FINANCIAL ANALYSIS, INC. AND AFFILIATE

CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Institute for Energy Economics and Financial Analysis, Inc. and Affiliate

Opinion

We have audited the consolidated financial statements of the Institute for Energy Economics and Financial Analysis, Inc. and Affiliate (the "Institute"), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Institute as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit 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 the Institute 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 resulting 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 consolidated 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 consolidated 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 consolidated 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 the Institute'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 consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute'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.

Report on Summarized Comparative Information

We have previously audited the Institute's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 8, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Marcum LLP

Washington, DC
May 2, 2024

INSTITUTE FOR ENERGY ECONOMICS
AND FINANCIAL ANALYSIS, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023	2022
Assets		
Cash and cash equivalents	$ 5,957,222	$ 6,236,205
Grants receivable	3,239,667	7,784,691
Accounts receivable	11,717	--
Prepaid expenses and deposits	843,118	899,656
Total Assets	$ 10,051,724	$ 14,920,552
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 259,326	$ 325,239
Refundable advance	--	400,000
Deferred revenue	--	20,000
Total Liabilities	259,326	745,239
Net Assets		
Without donor restrictions	4,631,034	4,478,847
With donor restrictions	5,161,364	9,696,466
Total Net Assets	9,792,398	14,175,313
Total Liabilities and Net Assets	$ 10,051,724	$ 14,920,552

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

INSTITUTE FOR ENERGY ECONOMICS AND FINANCIAL ANALYSIS, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Revenue and Support				
Grants	$ 6,133,864	$ 2,405,000	$ 8,538,864	$ 11,582,944
Interest income	167,861	--	167,861	1,956
Program service fees	90,000	--	90,000	140,797
Other income (losses)	14,997	--	14,997	(12,695)
Net assets released from donor restrictions:				
Satisfaction of purpose restrictions	6,940,102	(6,940,102)	--	--
Total Revenue and Support	13,346,824	(4,535,102)	8,811,722	11,713,002
Expenses				
Program services:				
Research	10,530,218	--	10,530,218	7,427,648
Education	813,576	--	813,576	1,968,594
Total Program Services	11,343,794	--	11,343,794	9,396,242
Supporting services:				
Administrative	1,408,157	--	1,408,157	1,008,881
Fundraising	442,686	--	442,686	236,397
Total Supporting Services	1,850,843	--	1,850,843	1,245,278
Total Expenses	13,194,637	--	13,194,637	10,641,520
Change in Net Assets	152,187	(4,535,102)	(4,382,915)	1,071,482
Net Assets, Beginning of Year	4,478,847	9,696,466	14,175,313	13,103,831
Net Assets, End of Year	$ 4,631,034	$ 5,161,364	$ 9,792,398	$ 14,175,313

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

INSTITUTE FOR ENERGY ECONOMICS AND FINANCIAL ANALYSIS, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Program Services			Supporting Services				
	Research	Education	Total Program Services	Administrative	Fundraising	Total Supporting Services	2023 Total	2022 Total
Compensation, taxes, and benefits	$ 5,295,191	$ 54,146	$ 5,349,337	$ 837,130	$ 347,091	$ 1,184,221	$ 6,533,558	$ 4,342,751
Professional fees and costs:								
Consulting	2,968,305	--	2,968,305	61,364	65,549	126,913	3,095,218	3,445,805
Accounting	--	--	--	171,798	--	171,798	171,798	169,810
Legal	40,558	--	40,558	84,835	--	84,835	125,393	97,823
Research data and subscriptions	1,113,731	--	1,113,731	--	397	397	1,114,128	923,208
Office and other costs	460,850	1,722	462,572	175,900	22,630	198,530	661,102	310,016
Travel	284,020	291,263	575,283	27,731	955	28,686	603,969	286,443
Education and training	--	462,211	462,211	--	--	--	462,211	456,871
Media communications	359,186	4,097	363,283	11,798	5,058	16,856	380,139	419,689
Insurance	--	--	--	33,321	--	33,321	33,321	25,735
Rent	8,377	137	8,514	4,280	1,006	5,286	13,800	13,369
Grant expense	--	--	--	--	--	--	--	150,000
Total Expenses	$ 10,530,218	$ 813,576	$ 11,343,794	$ 1,408,157	$ 442,686	$ 1,850,843	$ 13,194,637	$ 10,641,520

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

INSTITUTE FOR ENERGY ECONOMICS
AND FINANCIAL ANALYSIS, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	$ (4,382,915)	$ 1,071,482
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Changes in assets and liabilities:		
Grants receivable	4,545,024	(1,470,257)
Accounts receivable	(11,717)	--
Prepaid expenses and deposits	56,538	(310,631)
Accounts payable and accrued expenses	(65,913)	151,337
Refundable advance	(400,000)	400,000
Deferred revenue	(20,000)	(7,805)
Net Cash Used In Operating Activities	(278,983)	(165,874)
Cash and Cash Equivalents, Beginning of Year	6,236,205	6,402,079
Cash and Cash Equivalents, End of Year	$ 5,957,222	$ 6,236,205

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

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PURPOSE

The Institute for Energy Economics and Financial Analysis, Inc. and Affiliate's (collectively referred to as "the Institute") mission is to accelerate the transition to a diverse, sustainable and profitable energy economy. In furtherance of the Institute's mission, the Institute's activities include but are not limited to:

- Research – conduct analysis and publish and release studies on energy issues; resource planning; power plant economics and financing; the financial and economic risks of energy alternatives; water and energy; and coal and oil reserves, exports and prices; and
- Education – sponsor at least one major two-to-three day conference each year and hold additional webinars, seminars, and other educational events as needed and requested.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Institute for Energy Economics and Financial Analysis, Inc. (IEEFA) and IEEFA Australia Limited (IEEFA Australia). All intercompany balances and transactions have been eliminated in consolidation.

IEEFA was incorporated in the Commonwealth of Massachusetts on December 12, 2011 and received its tax exemption as a 501(c)(3) organization from the Internal Revenue Service on February 22, 2013.

Prior to the commencement of IEEFA's operations on June 1, 2013, activities were conducted as part of the operations of the Rockefeller Family Fund.

In October 2021, IEEFA's Board of Directors authorized the creation of IEEFA Australia, an Australian not-for-profit company limited by guarantee for the purpose of carrying out IEEFA's mission in Australia. IEEFA is the sole member of IEEFA Australia.

PRESENTATION

The accompanying consolidated financial statements are prepared using the accrual basis of accounting. The Institute reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without restrictions represent net assets available for use in general

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

PRESENTATION (CONTINUED)

operations and not subject to donor restrictions. Net assets with restrictions represent funds that are specifically restricted by donors for use for a specific purpose and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of the Institute or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that funds be maintained in perpetuity. As of December 31, 2023, there were no donor restricted funds required to be maintained in perpetuity.

CASH AND CASH EQUIVALENTS

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

ACCOUNTS RECEIVABLE

Accounts receivable are primarily derived from contracts with customers and are recorded at net realizable value. Management has evaluated the risk of credit losses at the time of revenue recognition and determined that no credit losses should be recognized based on the Institute having no historical credit losses, and in consideration of current and future economic conditions. As of December 31, 2023, all accounts receivable are considered fully collectible and no allowance for credit losses has been recorded. All accounts receivable are due within one year.

REVENUE RECOGNITION

All grant revenue recognized by the Institute is in the form of non-reciprocal contributions from foundations. The Institute recognizes all unconditional contributed support in the accounting period in which the commitment to give is made. Unconditional grants are considered without donor restrictions and available for general operations, unless specifically restricted by the donor. The Institute reports unconditional grants of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets to a particular purpose or to a specific period of time.

When the stipulated time restriction ends or the purpose of the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

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

REVENUE RECOGNITION (CONTINUED)

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at net present value when the discount is significant to the consolidated financial statements.

Conditional promises to give, that is those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met. Payments from donors received in advance of such conditions being met by the Institute are recognized as refundable advances.

Revenue from program service fees relates to revenue earned through consulting contracts with various organizations. Revenue from the consulting contracts is recognized as identified performance obligations are satisfied. Any contract payments received in advance of satisfying the performance obligations are included in deferred revenue in the accompanying consolidated statement of financial position.

IEEFA Australia is funded entirely by an annual operating grant made by IEEFA. The operating grant totaled $1,943,774 for the year ended December 31, 2023 and was eliminated in consolidation.

FUNCTIONAL ALLOCATION OF EXPENSE

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Expenses directly attributed to a specific program or supporting service are reported as expenses of that category, while shared costs that benefit multiple functional areas have been allocated among the various programs and supporting services based on estimates determined by management to be equitable. Compensation, taxes, and benefits are allocated based on estimated time and effort while overhead costs including rent and certain office costs are allocated based on the direct labor allocated to the programs or supporting services. Certain consulting fees are allocated based on estimated time and effort.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB Accounting Standards Codification 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Institute that are subject to guidance in FASB ASC 326 were trade accounts receivable.

The Institute adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

NOTE 2 - GRANTS RECEIVABLE

As of December 31, 2023, grants receivable were due as follows:

Due in less than one year	$ 2,480,272
Due in one to five years	759,395
Total Grants Receivable	$ 3,239,667

The present value factor of grants receivable due in one to five years was not considered significant to the Institute's consolidated financial statements and, accordingly, is not recognized in the accompanying consolidated financial statements.

The Institute considers all grants receivable to be fully collectible. As such, no allowance for uncollectible accounts was recorded as of December 31, 2023.

As of December 31, 2023, the grants receivable balance consisted of $1,900,000 due from two donors, which represents 59% of the total grants receivable balance.

As of December 31, 2023, the Institute had contributions totaling $2,825,000 from two donors which had not yet been recognized as revenue and support in the accompanying consolidated statement of activities due to the Institute not yet meeting donor-imposed conditions. Such conditions include measurable performance criteria which create a barrier that must be overcome prior to the Institute receiving future grant installments. No cash had yet been received as of December 31, 2023 for these conditional contributions.

NOTE 3 - NET ASSETS

Net assets without donor restrictions as of December 31, 2023 are as follows:

Undesignated	$ 2,431,034
Board-designated	2,200,000
Total Net Assets Without Donor Restrictions	$ 4,631,034

Net assets with donor restrictions as of December 31, 2023 totaled $5,161,364 and were all restricted for the purpose of research programs.

NOTE 4 - RISKS AND COMMITMENTS

CONSULTING AGREEMENTS

The Institute has one-year agreements with various professionals in program supporting disciplines that expire at various times in 2023. Each agreement can be terminated in 30 days or less by written notice from either party to the agreement.

CONCENTRATION OF CREDIT RISK

The Institute maintains its cash and cash equivalents with certain commercial financial institutions, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of $250,000 per depositor per institution. As of December 31, 2023, the Institute had cash and cash equivalents held with certain financial institutions which exceeded the maximum limit insured by the FDIC by approximately $4,948,000. The Institute monitors the creditworthiness of these institutions and has not experienced any credit losses on its cash and cash equivalents. In addition, the Institute also holds cash in a bank account in Australia. As of December 31, 2023, cash held in the Australian bank account was approximately $509,000.

NOTE 5 - RETIREMENT PLAN

The Institute sponsors the IEEFA 401(k) Retirement Savings Plan (the "Plan") under the safe harbor plan provisions. Under the provisions of the Plan, the Institute matches 100% of the first 3% of each eligible employee's compensation deferred and 50% of each eligible employee's compensation voluntarily deferred in excess of 3% up to 5%. Matching contributions for the year ended December 31, 2023 were $87,061.

NOTE 6 - RELATED PARTY TRANSACTIONS

The Institute received three grants in 2023 totaling $1,490,000, from organizations affiliated with certain members of the Institute's Board of Directors.

NOTE 7 – LIQUIDITY AND AVAILABILITY

The following summarizes the Institute's financial assets as of December 31, 2023, reduced by amounts not available for general use within the following year.

Cash and cash equivalents	$ 5,957,222
Grants receivable	3,239,667
Other receivables	11,717
Total Financial Assets Available as of December 31, 2023	9,208,606
Less amounts unavailable for general expenditures	
Grants receivable collectible beyond one year	(759,395)
Less amounts unavailable to management without Board approval	
Board-designated funds	(2,200,000)
Financial Assets Available to Meet General Expenditures Within One Year	**$ 6,249,211**

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Institute considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. As a result, for the year ended December 31, 2023, purpose restricted contributions of $4,401,969 were included in financial assets available to meet cash needs for general expenditures within one year.

Management of the Institute monitors cash flow on a monthly basis. As part of liquidity management, the Institute has a policy to structure its financial assets to be available as its general expenses, liabilities and other obligations come due. In addition, the Institute invests cash in excess of monthly requirements in a money market account. If necessary, the Institute has board-designated net assets that could be available for current operation with Board approval.

NOTE 8 - INCOME TAXES

IEEFA is exempt from federal and state income taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. As of December 31, 2023, no tax provision was made, as IEEFA had no significant net unrelated business income.

IEEFA Australia is subject to tax under the regulations of Australia. There was no provision for income tax for the year ended December 31, 2023 for IEEFA Australia as there was no significant tax owed.

The Institute performed an evaluation of uncertainty in income taxes for the year ended December 31, 2023 and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. As of December 31, 2023, the statute of limitations remained open with the federal, state and local jurisdictions in which the Institute files tax returns; however, there are currently no examinations pending or in progress. It is the Institute's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of December 31, 2023, the Institute had no accrual for interest and/or penalties.

NOTE 9 - SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through May 2, 2024, the date the consolidated financial statements were available to be issued. There were no subsequent events identified that require recognition or disclosure in the consolidated financial statements.