ENVIRONMENTAL AND ENERGY STUDY INSTITUTE

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

Years Ended December 31, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Environmental and Energy Study Institute

Opinion

We have audited the accompanying financial statements of Environmental and Energy Study Institute (EESI, a nonprofit organization), which comprise the statements of financial position as of December 31, 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 EESI as of December 31, 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EESI 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 EESI's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 EESI'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 EESI'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.

Rubino & Company

Bethesda, Maryland
June 28, 2024

ENVIRONMENTAL AND ENERGY STUDY INSTITUTE
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
Cash	$ 187,456	$ 573,652
Grants and donations receivable	198,483	224,491
Prepaid expenses	42,284	32,698
Investments	4,246,789	3,876,019
Property and equipment, net	71,061	78,353
Operating lease right-of-use asset, net	1,780,282	1,956,159
Deposits	17,200	17,200
Total assets	$ 6,543,555	$ 6,758,572
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 40,785	$ 61,448
Passthrough grant payable	-	100,000
Accrued vacation	70,963	69,007
Operating lease liability	1,987,540	2,055,350
Total liabilities	2,099,288	2,285,805
Net assets without donor restrictions	3,747,651	3,681,675
Net assets with donor restrictions	696,616	791,092
Total net assets	4,444,267	4,472,767
Total liabilities and net assets	$ 6,543,555	$ 6,758,572

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

ENVIRONMENTAL AND ENERGY STUDY INSTITUTE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Grants	$ 139,406	$ 1,078,562	$ 1,217,968
Donations	394,754	-	394,754
Workplace giving	25,057	-	25,057
Nonoperating income allocated to operations	232,305	-	232,305
Net assets released from restrictions	1,173,038	(1,173,038)	-
Total revenue	1,964,560	(94,476)	1,870,084
Expenses			
Program	1,512,453	-	1,512,453
General and administrative	264,766	-	264,766
Development	361,022	-	361,022
Total expenses	2,138,241	-	2,138,241
Change in net assets before nonoperating activities	(173,681)	(94,476)	(268,157)
Nonoperating activities			
Gain from investments, net	472,288	-	472,288
Investment income allocated to operations	(232,305)	-	(232,305)
Other expense	(326)	-	(326)
Total nonoperating activities	239,657	-	239,657
Change in net assets	65,976	(94,476)	(28,500)
Net assets, beginning of year	3,681,675	791,092	4,472,767
Net assets, end of year	$ 3,747,651	$ 696,616	$ 4,444,267

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

ENVIRONMENTAL AND ENERGY STUDY INSTITUTE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Grants	$ 212,500	$ 1,175,000	$ 1,387,500
Donations	473,272	-	473,272
Workplace giving	42,873	-	42,873
Other income	78,078	-	78,078
Nonoperating income allocated to operations	269,888	-	269,888
Net assets released from restrictions	920,820	(920,820)	-
Total revenue	1,997,431	254,180	2,251,611
Expenses			
Program	1,400,611	-	1,400,611
General and administrative	273,106	-	273,106
Development	322,879	-	322,879
Total expenses	1,996,596	-	1,996,596
Change in net assets before nonoperating activities	835	254,180	255,015
Nonoperating activities			
Loss from investments, net	(548,243)	-	(548,243)
Investment income allocated to operations	(269,888)	-	(269,888)
Total nonoperating activities	(818,131)	-	(818,131)
Change in net assets	(817,296)	254,180	(563,116)
Net assets, beginning of year	4,498,971	536,912	5,035,883
Net assets, end of year	$ 3,681,675	$ 791,092	$ 4,472,767

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

ENVIRONMENTAL AND ENERGY STUDY INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Federal Climate and Clean Energy Policy	Access Clean Energy Savings	Total Programs	General and Administrative	Development	Total
Salaries	$ 695,081	$ 195,422	$ 890,503	$ 163,414	$ 229,792	$ 1,283,709
Payroll taxes and benefits	154,185	43,072	197,257	35,762	50,735	283,754
Contract labor	41,164	105,463	146,627	4,549	6,046	157,222
Supplies	1,277	207	1,484	118	283	1,885
Dues and subscriptions	33,355	4,772	38,127	2,515	23,210	63,852
Future Climate Leaders Scholarship	13,800	-	13,800	-	-	13,800
Telephone	8,276	2,253	10,529	1,512	2,469	14,510
Postage and delivery	1,850	10	1,860	7	815	2,682
Meetings and conferences	12,408	1,610	14,018	403	727	15,148
Printing and copying	1,116	232	1,348	130	3,824	5,302
Travel	12,018	2,716	14,734	(30)	17	14,721
Rent	122,756	33,717	156,473	22,802	37,072	216,347
Liability and property insurance	-	-	-	6,672	-	6,672
Depreciation and amortization	12,940	3,557	16,497	2,411	3,920	22,828
Professional fees	-	-	-	23,724	-	23,724
In-kind expenses	4,800	-	4,800	-	-	4,800
Miscellaneous	3,828	568	4,396	777	2,112	7,285
Total expenses	$ 1,118,854	$ 393,599	$ 1,512,453	$ 264,766	$ 361,022	$ 2,138,241

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

ENVIRONMENTAL AND ENERGY STUDY INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Federal Climate and Clean Energy Policy	Access Clean Energy Savings	Total Programs	General and Administrative	Development	Total
Salaries	$ 648,520	$ 197,158	$ 845,678	$ 170,466	$ 207,024	$ 1,223,168
Payroll taxes and benefits	141,343	42,935	184,278	38,452	44,839	267,569
Contract labor	25,910	99,544	125,454	1,290	6,576	133,320
Supplies	637	201	838	198	272	1,308
Dues and subscriptions	25,890	3,100	28,990	3,848	18,442	51,280
Future Climate Leaders Scholarship	5,600	-	5,600	-	-	5,600
Telephone	8,895	2,607	11,502	1,781	2,378	15,661
Postage and delivery	485	41	526	94	966	1,586
Meetings and conferences	7,658	2,145	9,803	409	690	10,902
Printing and copying	945	264	1,209	258	4,928	6,395
Travel	12,215	2,177	14,392	-	-	14,392
Rent	119,748	35,541	155,289	21,505	32,585	209,379
Liability and property insurance	-	-	-	6,158	-	6,158
Depreciation and amortization	10,819	3,219	14,038	3,638	2,939	20,615
Professional fees	-	-	-	24,788	-	24,788
Miscellaneous	2,443	571	3,014	221	1,240	4,475
Total expenses	$ 1,011,108	$ 389,503	$ 1,400,611	$ 273,106	$ 322,879	$ 1,996,596

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

ENVIRONMENTAL AND ENERGY STUDY INSTITUTE
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ (28,500)	$ (563,116)
Reconciling adjustments:		
Depreciation	22,829	20,615
Loss on disposal of fixed assets	-	5,284
Investment (income) loss	(467,099)	550,058
Amortization of opearting lease right-of-use asset	175,877	163,521
(Increase) decrease in:		
Grants and donations receivable	26,008	37,899
Prepaid expenses	(9,586)	7,627
Deposits	-	(5,333)
Increase (decrease) in:		
Accounts payable and accrued expenses	(20,663)	15,773
Passthrough grant payable	(100,000)	100,000
Accrued vacation	1,956	7,568
Operating lease liability	(67,810)	(64,330)
Deferred rent	-	(66,606)
Net cash (used in) provided by operating activities	(466,988)	208,960
Cash flows from investing activities:		
Proceeds from sale of investments	970,306	1,130,544
Purchases of investments	(873,977)	(884,373)
Purchases of property and equipment	(15,537)	(71,426)
Net cash provided by investing activities	80,792	174,745
Net change in cash	(386,196)	383,705
Cash, beginning of year	573,652	189,947
Cash, end of year	$ 187,456	$ 573,652

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

1. Organization

The Environmental and Energy Study Institute (EESI) was formed in 1982 in the District of Columbia by a bipartisan Congressional caucus. EESI is a nonpartisan public policy and information resource organization addressing issues concerning the environment, energy, and natural resources.

EESI is supported primarily by grants and donations.

The following programs are included in the accompanying financial statements:

Federal Climate and Clean Energy Policy: EESI's federal climate policy program fills a critical need: turning complex concepts into accessible information and inviting decision makers from both sides of the aisle to ask questions. EESI works to create and inform a policy environment in which policymakers are equipped to curb climate change and increase resilience to current and future climate impacts in an equitable way. It is also urgent for the country's leaders to build awareness, knowledge, and understanding needed for action to reduce those impacts.

EESI seeks to advance all forms of energy efficiency and renewable energy (e.g., biomass, geothermal, hydropower, solar, wind, etc.) as a cornerstone of a sustainable national energy policy. Transitioning to clean energy sources will help curb climate change by shifting the United States away from its dependence on fossil fuels (i.e., coal, oil, and natural gas).

To advance climate and clean energy policy, EESI has become a trusted source of non-partisan information and policy ideas through our highly regarded Congressional briefings, white papers, newsletters (including the free biweekly, Climate Change Solutions), and website (www.eesi.org).

EESI educates policymakers about the economic development, energy security, environmental, and public health benefits of sustainably tapping the country's abundant renewable energy resources. In addition, the program showcases sustainable policies and technologies for agriculture and forestry (e.g., carbon sequestration, bioenergy, bio-based products), buildings (e.g., high-performance green buildings, energy-efficient appliances, better building codes, building-grid communication), transportation (e.g., biofuels, electric vehicles, mass transit), utilities (e.g., combined heat and power, electrification, financing for home energy efficiency retrofits), and distributed energy resources (e.g., community renewable energy, storage, microgrids).

1. Organization (continued)

EESI also seeks to increase resilience to current and future climate impacts in an equitable way. EESI engages with policymakers about the social, environmental, and economic value of infrastructure investments (including nature-based solutions) and about the need for coordination across all levels of government to assess vulnerabilities to extreme weather and other hazards and implement cost-effective resilience strategies. Ensuring buildings and other infrastructure can better withstand disasters will save lives and money.

Access Clean Energy Savings: EESI runs the Access Clean Energy Savings program to provide local technical assistance to utility-based energy efficiency programs.

The Access Clean Energy Savings program promotes the adoption of on-bill financing, a mechanism allowing customers to pay for home energy improvements over time via their electricity bills, thereby expanding access to cost-saving clean energy to households of any income level. Greater energy efficiency reduces household energy costs and improves reliability and comfort, while reducing fossil fuel use.

EESI's program design places an emphasis on equity, allowing customers with good bill payment history, whether they are renters or owners, to afford energy upgrades, conveniently paid back on their monthly bills. EESI works closely with the U.S. Department of Agriculture's Rural Energy Savings Program (RESP), which provides participating electric cooperatives and municipal utilities with zero-interest federal loans, to accelerate customers' adoption of energy efficiency and renewable energy. This helps drive federal policy while achieving on-the-ground progress.

EESI assists local nonprofits, state and local governments, rural electric cooperatives, and municipal utilities to develop and implement on-bill financing programs in their communities. These programs support both energy efficiency and renewable energy, such as community solar. EESI also helps utilities replace direct fossil fuel use (e.g., propane, heating oil, gasoline) with electricity in a way that reduces overall emissions and energy costs for households and businesses.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

Tax Status

EESI is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code), except as to income from unrelated business activities, and has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

EESI requires that a tax position be recognized or derecognized based on a "more-likely-than not" threshold. This applies to positions taken or expected to be taken in a tax return. EESI does not believe its financial statements include, or reflect, any uncertain tax positions. EESI's IRS Form 990, Return of Organization Exempt from Income Tax, is subject to examination by the federal and state authorities, generally for three years after filing.

Grants and Donations

Grants and donations are recognized as revenue when an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Consequently, at December 31, 2023, contributions in the amount of $400,000, have not been recognized in the accompanying statement of activities because the condition on which they depend has not yet been met.

EESI reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Unconditional grants and donations received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions.

All other donor-restricted grants and donations are reported as increases in net assets with donor restrictions. Grants and donations reported as net assets with donor restrictions are reclassified to net assets without restrictions upon expiration of the program, time, or other restrictions.

2. Summary of Significant Accounting Policies (continued)

Workplace Giving

Combined Federal Campaign/Earth Share workplace giving is recorded in the year the employee contribution is reported.

Consulting Revenue

Revenue from consulting contracts are recorded as revenue over time as contract deliverables are completed.

Grants and Donations Receivable

Unconditional promises to give and donations that have not been collected as of year-end are recorded as grants and donations receivable in the accompanying statements of financial position. Grants to be received over multiple years are discounted to their net present value using the applicable interest rate if such discount would be material. It is EESI's policy to write-off uncollectible amounts when management determines the receivable will not be collected. Management believes that the direct write-off method approximates the results had the allowance for uncollectible accounts been recorded.

Cash

Cash includes interest and noninterest-bearing operating accounts with insured financial institutions. Cash excludes cash and cash equivalents included in investment accounts, as those funds are intended for investment rather than operating purposes.

Investments

Investments are carried at fair market value based on quoted market prices and published unit values, or from readily-available sources for comparative instruments. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

The Board of Directors designated 4.5% of the average market value of investments for the prior three years for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines.

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are carried at cost, if purchased, or at fair market value at date of donation, if contributed. EESI capitalizes all expenditures for property and equipment in excess of $500. EESI depreciates all property and equipment over three to seven years using the straight-line method. Leasehold improvements are amortized evenly over the lesser of the life of the lease or the estimated useful life of the asset. Expenses for repairs and maintenance are charged to expense as incurred.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, reported revenues and functional allocation of expenses. Actual results may vary from the estimates that were assumed in preparing the financial statements.

Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, benefits, and indirect expenses, which are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to programs and supporting activities are presented accordingly.

Leases

At lease inception, EESI determines whether an arrangement is or contains a lease. EESI only has one operating lease which is included in Operating Right-of-use (ROU) assets and lease liabilities in the financial statements. ROU assets represent the EESI's right to use leased assets over the term of the lease. Lease liabilities represent the EESI's contractual obligation to make lease payments over the lease term.

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. EESI uses the rate implicit in the lease if it is determinable. When the implicit rate is not determinable, EESI uses risk free rate on the commencement date of the lease to determine the present value of the lease payments. Operating ROU assets are calculated as the present value of the lease payments plus initial direct costs, plus any prepayments less any lease incentives received. Lease terms may include renewal or extension options to the extent that they are reasonably certain to be exercised. The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement. Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of any leasehold improvements, the value of renewal rates compared to market rates, and the presence of factors that would cause significant economic penalty to EESI if the option were not exercised. Lease expense is recognized on a straight-line basis over the lease term. EESI has elected not to recognize an ROU asset and obligation for leases with an initial term of twelve months of less.

3. Availability and Liquidity

EESI's cash flows have seasonal variations due to the timing of grants and donations. EESI manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

As of December 31, 2023 and 2022, the following financial assets and liquidity sources are available for general operating expenditure within one year:

	2023	2022
Financial assets at year end		
Cash	$ 187,456	$ 573,652
Grants and donations receivable	198,483	224,491
Investments available for operating purposes	4,233,534	3,865,178
Total financial assets	4,619,473	4,663,321
Less purpose restricted net assets	(336,388)	(634,426)
Total financial assets available within one year	$ 4,283,085	$ 4,028,895

4. Property and Equipment

Property and equipment consisted of the following as of December 31, 2023 and 2022:

	2023	2022
Furniture and equipment	$ 190,766	$ 180,324
Leasehold improvements	11,217	11,217
	201,983	191,541
Less accumulated depreciation and amortization	(130,922)	(113,188)
Property and equipment, net	$ 71,061	$ 78,353

Depreciation and amortization expense for the years ended December 31, 2023 and 2022, was $22,829 and $20,615, respectively.

5. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of December 31, 2023 and 2022:

	2023	2022
Federal Climate and Clean Energy Policy	$ -	$ 60,417
Access Clean Energy Savings	336,388	574,009
Subsequent year operations	360,228	156,666
Total net assets with donor restrictions	$ 696,616	$ 791,092

Net assets were released from donor restrictions for the years ended December 31, 2023 and 2022, as follows:

	2023	2022
Federal Climate and Clean Energy Policy	$ 355,140	$ 291,058
Access Clean Energy Savings	427,898	321,429
Subsequent year operations	390,000	308,333
Net assets released from restrictions	$ 1,173,038	$ 920,820

6. Employment Benefit Plans

Profit Sharing Pension Plan

EESI has a discretionary profit sharing pension plan covering all full-time employees who have at least one year of service with EESI and have attained the age of 21. Vesting is based on years of service with full vesting after three years. Total pension expense for the years ended December 31, 2023 and 2022, was approximately $97,000 and $89,000, respectively.

Tax Deferred Annuity Plan

During the years ended December 31, 2023 and 2022, EESI sponsored a tax deferred annuity plan (the Plan) for the benefit of its employees through elective salary reductions under Section 403(b) of the Code. The Plan does not provide for matching contributions. Maximum contributions to the Plan are limited to the maximum allowable by the Code.

7. Lease

EESI leases office space under a lease that expires in February 28, 2033. The lease includes extension option, with extended terms extending up to 5 years. The leases provide for base rentals with annual escalations and adjustments for increased operating expenses and real estate taxes. Total rent payments are recognized as rent expense on a straight-line basis over the lease term. EESI did not have any financing leases as of December 31, 2023.

The future minimum annual lease payments under the current operating lease are as follows:

	Amount
For the years ending December, 31, 2024	$ 219,653
2025	187,467
2025	230,773
2026	236,542
2027	242,456
2028 and thereafter	1,063,163
	2,180,054
Less: imputed interest	(192,514)
	$ 1,987,540

The remaining lease term related to the operating lease was 110 months, and the discount rate for EESI's operating lease was 1.94% as of December 31, 2023. There were no material restrictions or covenants imposed.

8. Concentrations and Financial Risk

EESI maintains its cash at financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures the cash balances up to certain limits. At times during the year, the balances exceeded federally insured limits. Management believes the risk in these situations to be minimal.

EESI invests in professionally managed portfolios that contain equities, mutual funds, and bonds. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amount reported in the financial statements.

As of December 31, 2023, approximately 79% of grants and donations receivable was due from two donors. As of December 31, 2022, approximately 56% of grants and donations receivable was due from two donors. During the year ended December 31, 2023, approximately 62% of grants and donations revenue was from two donors. During the year ended December 31, 2022, approximately 50% of grants and donations revenue was from two donors.

9. Fair Value Measurements

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities);

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment (examples include certain private-equity securities and split-interest agreements).

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. EESI's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets or liabilities.

9. Fair Value Measurements (continued)

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported as of the end of the reporting period. For the years ended December 31, 2023 and 2022, there were no significant transfers in or out of levels 1, 2, or 3.

The following presents EESI's assets measured at fair value as of December 31, 2023:

December 31, 2023	Total	Level 1	Level 2	Level 3
Corporate bonds	$ 1,031,573	$ -	$ 1,031,573	$ -
Municipal bonds	314,510	-	314,510	-
Equities	2,779,698	2,779,698	-	-
Investments carried at fair value	4,125,781	$ 2,779,698	$ 1,346,083	$ -
Money market funds - at cost	121,008			
Total	$ 4,246,789			

The following presents EESI's assets measured at fair value as of December 31, 2022:

December 31, 2022	Total	Level 1	Level 2	Level 3
Corporate bonds	$ 982,577	$ -	$ 982,577	$ -
Municipal bonds	358,082	-	358,082	-
Equities	2,312,779	2,312,779	-	-
Investments carried at fair value	3,653,439	$ 2,312,779	$ 1,340,660	$ -
Money market funds - at cost	222,580			
Total	$ 3,876,019			

10. Subsequent Events

Subsequent events were evaluated through June 28, 2024, which is the date the financial statements were available to be issued.