



**AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY**

**AUDITED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2023**

AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY

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DECEMBER 31, 2023

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## Independent Auditor's Report

Board of Directors  
American Council for an Energy-Efficient Economy  
Washington, D.C.

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of American Council for an Energy-Efficient Economy (ACEEE) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of ACEEE 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 ACEEE 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 opinions.

#### *Emphasis of Matter*

As discussed in Note 1 of the financial statements, ACEEE adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to this matter.

#### *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 ACEEE'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 and *Government 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 and *Government 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 ACEEE'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 ACEEE'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.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024, on our consideration of ACEEE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely 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 ACEEE'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 ACEEE's internal control over financial reporting and compliance.

***Report on Summarized Comparative Information***

We have previously audited ACEE's 2022 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated May 19, 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 financial statements from which it has been derived.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
June 24, 2024

Certified Public Accountants

**AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2023**

**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2022)**

	<b>2023</b>	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 446,080	\$ 628,043
Investments	9,833,135	9,938,707
Contributions Receivable	3,489,177	1,586,861
Prepaid Expenses	220,655	99,372
Total Current Assets	13,989,047	12,252,983
<b>Operating Right-of-Use Asset</b>	4,854,240	5,366,089
<b>Property and Equipment, Net</b>	848,014	915,844
<b>Other Assets</b>		
Security Deposit	37,754	37,754
<b>Total Assets</b>	<b>\$ 19,729,055</b>	<b>\$ 18,572,670</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 575,072	\$ 518,417
Accrued Expenses	450,007	382,032
Operating Lease Liability	626,112	596,898
Deferred Revenue	1,364,758	658,556
Funds Held on Behalf of NASEM Collaborative	137,185	136,527
Total Current Liabilities	3,153,134	2,292,430
<b>Long-Term Liabilities</b>		
Operating Lease Liability, Net of Current Portion	5,743,371	6,371,068
Total Long-Term Liabilities	5,743,371	6,371,068
<b>Net Assets</b>		
Net Assets Without Donor Restrictions		
Undesignated	5,744,836	4,690,888
Board Designated	25,000	25,000
Total Net Assets Without Donor Restrictions	5,769,836	4,715,888
Net Assets With Donor Restrictions	5,062,714	5,193,284
Total Net Assets	10,832,550	9,909,172
<b>Total Liabilities and Net Assets</b>	<b>\$ 19,729,055</b>	<b>\$ 18,572,670</b>

*See accompanying Notes to Financial Statements.*

**AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	<u>2023</u>	<u>2022</u>
<b>Activities Without Donor Restrictions</b>		
Revenue and Support		
Conference	\$ 1,776,173	\$ 1,921,671
Ally Program	735,981	668,970
Contracts	2,115,911	1,112,345
Interest and Dividends	134,334	259,018
Contributions	143,936	169,812
Other Income	30,233	2,415
Net Assets Released from Restrictions	<u>8,951,000</u>	<u>9,130,587</u>
Total Revenue and Support	<u>13,887,568</u>	<u>13,264,818</u>
Expenses		
Program Services		
Research Programs	9,376,689	8,803,175
Conference	1,613,551	1,661,683
Lobbying	<u>27,787</u>	<u>14,144</u>
Total Program Services	<u>11,018,027</u>	<u>10,479,002</u>
Supporting Services		
General and Administration	2,562,392	2,079,868
Development	<u>368,245</u>	<u>391,284</u>
Total Supporting Services	<u>2,930,637</u>	<u>2,471,152</u>
Total Expenses	<u>13,948,664</u>	<u>12,950,154</u>
Change in Net Assets Without Donor Restrictions before Investment (Loss) Gain	(61,096)	314,664
Net Realized and Unrealized Gain (Loss) on Investments	<u>1,114,978</u>	<u>(1,665,759)</u>
Change in Net Assets Without Donor Restrictions	<u>1,053,882</u>	<u>(1,351,095)</u>
<b>Activities With Donor Restrictions</b>		
Foundation Grants	6,943,889	4,785,000
Research Contributions and Projects	1,876,607	1,444,928
Net Assets Released from Restrictions	<u>(8,951,000)</u>	<u>(9,130,587)</u>
Change in Net Assets With Donor Restrictions	<u>(130,504)</u>	<u>(2,900,659)</u>
Change in Net Assets	923,378	(4,251,754)
Net Assets, Beginning of Year	<u>9,909,172</u>	<u>14,160,926</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 10,832,550</u></u>	<u><u>\$ 9,909,172</u></u>

*See accompanying Notes to Financial Statements.*

**AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	2023 Total	2022 Total
	Research Programs	Conference	Lobbying		General and Administrative	Development			
Salaries	\$ 4,561,416	\$ 264,747	\$ 13,510	\$ 4,839,673	\$ 1,320,998	\$ 213,200	\$ 1,534,198	\$ 6,373,871	\$ 6,024,444
Fringe Benefits	2,137,968	121,936	6,134	2,266,038	622,849	99,498	722,347	2,988,385	2,604,111
Total Personnel Expense	6,699,384	386,683	19,644	7,105,711	1,943,847	312,698	2,256,545	9,362,256	8,628,555
Consultants	1,788,973	379,941	5,759	2,174,673	155,413	6,287	161,700	2,336,373	2,074,058
Operating Lease Expense	455,662	26,225	1,321	483,208	115,518	21,318	136,836	620,044	620,044
Variable Lease Expense	28,339	1,631	82	30,052	7,185	1,326	8,511	38,563	-
Conferences and Meetings	57,905	746,559	-	804,464	58,147	10,060	68,207	872,671	920,108
Depreciation and Amortization	82,255	4,747	240	87,242	23,646	3,839	27,485	114,727	177,210
Printing	70,588	3,174	138	73,900	90,727	2,174	92,901	166,801	109,454
Telephone	44,587	3,088	132	47,807	(150)	2,083	1,933	49,740	54,623
Travel	107,972	40,435	46	148,453	24,353	4,864	29,217	177,670	122,326
Supplies	25,587	9,969	72	35,628	(185)	1,282	1,097	36,725	46,491
Accounting Fees	-	-	-	-	30,323	-	30,323	30,323	25,000
Insurance	-	-	-	-	20,198	-	20,198	20,198	31,366
Legal Fees	5,505	-	-	5,505	27,281	-	27,281	32,786	31,324
Bank Charges	326	4,405	-	4,731	10,743	1,904	12,647	17,378	18,551
Other Expenses	9,606	6,694	353	16,653	55,346	410	55,756	72,409	91,044
<b>Total Expenses</b>	<b>\$ 9,376,689</b>	<b>\$ 1,613,551</b>	<b>\$ 27,787</b>	<b>\$ 11,018,027</b>	<b>\$ 2,562,392</b>	<b>\$ 368,245</b>	<b>\$ 2,930,637</b>	<b>\$ 13,948,664</b>	<b>\$ 12,950,154</b>

See accompanying Notes to Financial Statements.

**AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 923,378	\$ (4,251,754)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation and Amortization	114,727	177,210
Operating Lease Expense	620,044	620,044
Net Realized and Unrealized (Gain) Loss on Investments	(953,663)	1,665,759
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable	(1,902,316)	(280,166)
Prepaid Expenses	(121,283)	71,194
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	56,655	364,732
Accrued Expenses	67,975	2,736
Funds Held on Behalf of NASEM Collaborative	658	50,054
Deferred Revenue	706,202	271,133
Operating Lease Liability	<u>(706,679)</u>	<u>(689,499)</u>
Net Cash Used in Operating Activities	<u>(1,194,302)</u>	<u>(1,998,557)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of Property and Equipment	(46,896)	(189,891)
Purchases of Investments	(2,145,649)	(1,359,016)
Proceeds from Sales of Investments	<u>3,204,884</u>	<u>3,482,612</u>
Net Cash Provided by Investing Activities	<u>1,012,339</u>	<u>1,933,705</u>
Net Decrease in Cash and Cash Equivalents	(181,963)	(64,852)
Cash and Cash Equivalents, Beginning of Year	<u>628,043</u>	<u>692,895</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 446,080</u>	<u>\$ 628,043</u>
<b>Noncash Transactions from Investing and Financing Activities</b>		
Establishment of Operating Right-of-Use Asset	\$ -	\$ 5,868,398
Establishment of Operating Lease Liability	-	7,539,730

*See accompanying Notes to Financial Statements.*

AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Organization*

American Council for an Energy-Efficient Economy (ACEEE) is a not-for-profit organization incorporated under the laws of California during February 1980. The objectives of ACEEE are to gather, evaluate, and disseminate information to stimulate greater efficiency of energy use. ACEEE focuses on program areas including energy policy, research, and outreach. ACEEE offers conferences, publications, and other forums for professionals and other organizations within the field.

ACEEE carries out its mission by conducting technical and policy analyses; advising policy makers and program managers; working with businesses, government officials, public interest groups, and other organizations; assisting traditional and new media to cover energy efficiency policy and activities and technical issues; and educating consumers and businesses through ACEEE's conferences, press, and websites.

*Program Services*

Program service descriptions are as follows:

Research programs: ACEEE's research programs seek to improve energy efficiency through lowering energy costs, improving economic productivity, and decreasing environmental pollution.

Conference: ACEEE's conferences disseminate information to stimulate the efficiency of energy use in the economy.

Lobbying: ACEEE lobbies Congress on behalf of appliance energy efficiency standards, federal appropriations for energy efficiency research and development, and new federal programs to promote energy efficiency.

*Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting.

A summary of ACEEE's significant accounting policies are as follows:

*Basis of Presentation*

ACEEE is required to report 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.

*Net Assets Without Donor Restrictions*

Net assets without donor restriction include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. At December 31, 2023, designated net assets consist of amounts set aside by ACEEE's Board of Directors for the Halfway There Fund for certain future projects.

*Net Assets With Donor Restrictions*

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. ACEEE reports contributions as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Net Assets With Donor Restrictions (Continued)*

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

*Cash and Cash Equivalents*

For purposes of reporting cash flows, ACEEE considers currency on hand, demand deposits, and highly liquid investments purchased from financial institutions with an original maturity of three months or less to be cash and cash equivalents, except cash held in the investment portfolio.

*Investments*

Investments consist of mutual and exchange-traded funds (equity, fixed income, and blended) and money market funds. Investments with readily determinable fair values are reflected at fair value.

*Financial Risk*

ACEEE maintains demand deposits with various financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured positions of these accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to ACEEE. ACEEE has not experienced any such losses in the past and does not believe it is exposed to any significant financial risk on these balances.

ACEEE's investments are exposed to various risks, such as fluctuations in market value. As a result, investment balances reported in the accompanying financial statements may not be reflective of the portfolio's fair value during subsequent periods.

*Contributions Receivable*

Contributions receivable consist of foundation grants. Contributions receivable are recorded at net realizable value. Contributions receivable that are past due are individually analyzed for collectability. When all collection efforts have been exhausted, the account is written off against an allowance account. Management adjusts the allowance account annually based upon its estimate of those receivables determined to be uncollectible. Bad debt expense was \$0- at December 31, 2023. At December 31, 2023, management deemed all contributions receivable to be collectable.

*Prepaid Expenses*

Prepaid expenses consist of costs which have been paid in advance of the period in which ACEEE expects to incur the obligation.

*Right-of-Use Assets and Lease Liabilities*

The determination of whether an arrangement is a lease is made at the lease's inception. Under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Right-of-Use Assets and Lease Liabilities (Continued)*

Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free rate that approximates the remaining term of the lease. The right-of-use asset is the lease liability adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring ACEEE's right-of-use assets and lease liabilities. Operating lease expense is allocated over the remaining lease term on a straight-line basis. ACEEE considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability. In addition, ACEEE does not separate non-lease components from lease components (if any) when determining the payments for leases of office equipment.

*Property and Equipment*

Property and equipment acquisitions with a cost greater than \$1,000 and a projected useful life exceeding one year are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated lives of the related assets or the remaining lease term and are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

*Revenue from Contracts*

Revenue from contracts is derived primarily from fees for providing analysis and education related to state level clean lighting policy adoption. Revenue is recognized in the period in which it is earned. ACEEE performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. If a performance obligation meets certain specific criteria, the related revenue is recognized over time if ACEEE is able to reasonably measure its progress toward complete satisfaction of the performance obligation using reliable information. Output methods and input methods are used to measure progress for goods and services for which control has been transferred to the customer. If the specific criteria are not met, revenue is recognized at a point in time.

*Revenue from Conferences*

Conference revenue consists primarily of registration and sponsorship fees. Attendees at in-person or virtual conferences receive educational content, networking opportunities, and access to industry experts and sponsors. Sponsors receive multiple forms of recognition, access to attendees, one or more registrations, promotional opportunities and discounts, and significant non-monetary networking value, all provided at the conference.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Revenue from Conferences (Continued)*

There is a sliding scale of benefits provided to sponsors commensurate with fees paid. All performance obligations for meeting attendees and sponsors are satisfied as the conference takes place; revenue is therefore recognized over time. Fees are generally collected in advance of the conference and recorded as deferred revenue in the statement of financial position until the conference occurs.

Prices for the conference registrations and sponsorship fees are specific to distinct performance obligations and do not consist of multiple transactions. They do not include significant financing components as the performance obligations are typically satisfied within a year of receipt of payment. ACEEE did not have any impairment or credit losses on any receivables or contract assets arising from contracts with customers. There is also no incremental cost of obtaining a contract, and there are no significant changes in the judgements affecting the determination of the amount and timing of revenue from contracts. ACEEE recognized \$706,202 of prior year deferred revenue during the year ended December 31, 2023.

Economic factors driven by consumer confidence, employment, inflation, and other world events impact the timing and level of cash received and revenue recognized by ACEEE. Period of economic downturn resulting from any of the above factors may result in declines in future cash flows and recognized revenue of ACEEE or can have a positive impact on cash flows in favorable economic conditions.

*Contributions*

ACEEE's contributions include donations from individuals, Ally program, research contributions, and grants from foundations and government agencies. Unconditional contributions are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions and then reclassified to net assets without donor restrictions when the restriction expires.

*Sources of Revenue*

During the year ended December 31, 2023, ACEEE derived approximately 23% of its total support and revenue from two significant donors.

*Functional Allocation of Expenses*

Costs of ACEEE's various programs and activities have been summarized on a functional basis in the accompanying statement of activities and statement of functional expenses.

Expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. Information technology, supplies, and telecommunications expenses have been allocated on the basis of employee effort. Salaries and fringe benefits, occupancy, depreciation and amortization, and all other expenses are directly charged to the applicable functional areas.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Adoption of Accounting Standard Update 2016-02*

During the year ended December 31, 2022, ACEEE adopted the Financial Accounting Standards Board's (FASB) Accounting Standard Update (ASU) 2016-02, *Leases (Topic 842)*, which supersedes the leasing guidance in *Topic 840*. ACEEE also adopted the following ASUs, which amend and clarify *Leases (Topic 842)*: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2021-05, *Leases (Topic 842): Lessors - Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new lease guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases on the statement of financial position.

ACEEE adopted the leasing standards effective January 1, 2022, using the modified retrospective approach with January 1, 2022, as the initial date of application. Management has elected to apply all practical expedients available under the new guidance, which allows ACEEE to: (1) not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases; (2) not reassess the lease classification for any expired or existing leases; and (3) not reassess initial direct costs for any existing leases. ACEEE also elected to apply the practical expedient to use hindsight in determining the lease term.

The most significant impact was the recognition of right-of-use assets and lease liabilities for all leases with terms greater than twelve months. Accordingly, an operating right-of-use asset and lease liability totaling \$5,868,398 and \$7,539,730, respectively, was recognized as of January 1, 2022. Existing deferred rent and lease incentive of approximately \$1,671,000 as of January 1, 2022, is included as a reduction to the initial measurement of the right-of-use asset for the operating lease.

*Accounting Standard Update 2016-13*

During the year ended December 31, 2023, ACEEE adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*.

ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. All assets that fall within the scope of ASU 2016-13 were evaluated to determine if the measurement of expected credit losses is material. There were no current charges to expected credit losses in 2023.

*Income Tax*

ACEEE is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation by the Internal Revenue Code. ACEEE may be subject to tax on unrelated business income activities. ACEEE had no unrelated business income for the year ended December 31, 2023.

AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and certain notes. Actual results could differ from those estimates.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

ACEEE regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, ACEEE considers all expenditures related to its ongoing research and educational activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditure within one year are as follows as of December 31, 2023:

*Liquid Financial Assets at Year End*

Cash and Cash Equivalents	\$ 446,080
Contributions Receivable	3,489,177
Investments Available for Operating Purposes	<u>9,833,135</u>
Total Financial Assets	13,768,392
Restricted Liquid Financial Assets at Year End	
Cash Collateral Held for Lease Security Deposit	(53,392)
Funds Held on Behalf of NASEM Collaborative	(137,185)
Board-Designated Assets for Use in Future Periods	(25,000)
Net Assets Restricted by Donors	<u>(5,062,714)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u><u>\$ 8,490,101</u></u>

3. FAIR VALUE MEASUREMENTS AND INVESTMENTS

The Fair Value Measurement Topic of the Accounting Standards Codification (ASC) 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, and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quote prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under this topic as assumptions market participants would use in pricing an asset or liability. The input levels used for valuing investments are not necessarily an indication of risk.

*Level 1* - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. As required by the Fair Value Measurement Topic, ACEEE does not adjust the quoted prices for these investments even in situations where ACEEE holds a large position, and a sale could reasonably impact the quoted price.

**AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**3. FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)**

*Level 2* - Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement. There were no Level 2 inputs for any assets or liabilities held by ACEEE at December 31, 2023.

*Level 3* - Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgement or estimation. Investments that are included in this category are investments where fair value is not based on a net asset value (NAV) practical expedient.

There were no Level 3 inputs for any assets or liabilities held by ACEEE at December 31, 2023.

As of December 31, 2023, the only assets and liabilities of ACEEE which were measured at fair value on a recurring basis were ACEEE's investments. Investments recorded at fair value which are classified within Level 1 include equity, fixed income, and blended mutual funds, and money market funds, the fair values for which were based on quoted prices for identical assets in active markets. Management believes the estimated fair values to be a reasonable approximation of the exit price for these investments.

Cash included in the investment portfolio is recorded at cost and is not required to be classified in one of the levels prescribed by the fair value hierarchy.

Fair values of assets measured on a recurring basis at December 31, 2023, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments, at Fair Value				
Mutual Funds - Bond Funds	\$ 3,131,383	\$ 3,131,383	\$ -	\$ -
Mutual Funds - Equity Funds	5,539,840	5,539,840	-	-
Money Market Fund	<u>289,178</u>	<u>289,178</u>	-	-
Investments, at Fair Value	8,960,401	<u>\$ 8,960,401</u>	<u>\$ -</u>	<u>\$ -</u>
Cash	<u>872,734</u>			
	<u>\$ 9,833,135</u>			

**4. PROPERTY AND EQUIPMENT**

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

Furniture and Equipment	\$ 472,750
Software	85,590
Leasehold Improvements	<u>781,664</u>
	1,340,004
Less Accumulated Depreciation and Amortization	<u>(491,990)</u>
	<u>\$ 848,014</u>

AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

5. RETIREMENT PLAN

A qualified 403(b) retirement plan (the Plan) has been established for which all eligible employees are eligible to participate and make salary deferral contributions up to the federal limits annually. Under the Plan, ACEEE makes a 3% contribution and will match up to 3% of eligible employee compensation. Total employer contributions to the Plan totaled \$427,238 for the year ended December 31, 2023.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows as of December 31, 2023:

Restricted by Purpose	
Foundation Grants	\$ 4,936,841
Research Contributions	41,329
Halfway There Fund	5,143
Linda Latham Scholarship Fund	51,960
Harry Misuirello Fund	1,764
BECC and Other Programs	1,677
	<u>5,038,714</u>
Restricted by Time	
Ally Program	24,000
	<u>\$ 5,062,714</u>

During the year ended December 31, 2023, net assets of \$8,951,000 were released from restrictions either as expenses were incurred which satisfied the restricted purposes of the net assets or by the occurrence of other events, as specified by the donors. \$-0- was donated by ACEEE's Ally members for use in 2023. A total of \$90,000 of 2022's restricted net assets is included in released from restrictions during the year ended December 31, 2023.

7. COMMITMENTS AND CONTINGENCIES

*Operating Lease under Topic 842*

In March 2008, ACEEE entered into an operating lease agreement for office space which was originally scheduled to expire in July 2018 with an option to renew for an additional five years. The lease was amended effective May 2014 to expand the original office space and extend the expiration to July 31, 2021. In August 2020, the lease was amended to extend the expiration to July 31, 2032, with an option to renew for an additional five years, and with an option to terminate five years early. The amendment also contained an abatement of rental payments for 12 months, escalation clauses, charges for other costs related to the leased office space, tenant allowances for improvements, and other stipulations.

In accordance with the August 2020 amendment, ACEEE has an irrevocable letter of credit in the amount of \$55,178 as a security deposit, secured by a cash collateral account. The cash collateral account is included in investments in the accompanying statement of financial position.

**AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**7. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

*Operating Lease under Topic 842 (Continued)*

Under accounting principles generally accepted in the United States of America (GAAP), operating lease expense is recognized on a straight-line basis over the remaining lease term.

Maturity of the operating lease liability as of December 31, 2023, is as follows:

For the Years Ending December 31,

2024	\$ 724,322
2025	742,413
2026	760,970
2027	779,974
2028	799,498
Thereafter	<u>3,030,111</u>
Total Undiscounted Minimum Lease Payments	6,837,288
Less Discount to Present Value	<u>(467,805)</u>
Total Operating Lease Liability	<u><u>\$ 6,369,483</u></u>

The supplementary qualitative operating lease information is as follows:

<u>Supplementary Qualitative Operating Lease Information</u>	<u>Amount</u>
Weighted-Average Remaining Lease Term (Years)	9.58
Weighted-Average Discount Rate	1.63%

Rent expense for the year ended December 31, 2023, totaled \$620,044.

**8. RELATED PARTY TRANSACTIONS**

ACEEE, in conjunction with one other organization, host the Behavior, Energy & Climate Change conference (BECC). The two organizations share equally in the financial risk of BECC. All surpluses and losses are tracked in a restricted net asset fund by ACEEE, which is included in net assets with donor restrictions in the statement of financial position.

Additionally, ACEEE is administering funds for the North American Strategic Energy Management Collaborative (SEM Collaborative), a group of organizations (including ACEEE) considering formation of a legal entity. ACEEE is acting in an agency capacity, collecting, and disbursing funds on behalf of the collaborative as a whole. ACEEE does not have variance power over the funds, which are reported as a liability in the statement of financial position.

**9. CONTINGENCY FOR FEDERAL AWARD INCOME**

ACEEE receives revenues from federal government grants, contracts, and sub-awards. The ultimate determination of amounts received under these programs is generally based upon allowable costs, which are subject to audit. Management believes that adjustments, if any, arising from such audits, will not have a material effect on the financial statements.

**AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**10. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 24, 2024, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
<b>Research and Development Cluster</b>			
<b>U.S. Department of Energy</b>			
Pass-Through from Battelle Memorial Institute			
Pacific Northwest National Laboratory			
2022 State and Local Building Energy Policies	81.DE-AC05-76RL01830	\$ 46,536	\$ -
2023 Energy Efficiency (EE) and Electrification Research	81.DE-AC05-76RL01830	195,202	1,398
Pass-Through from The Regents of the University of California			
Lawrence Berkeley National Laboratory			
Utility Working Group for Efficient, Healthy and Decarbonized Schools	81.DE-AC02-05CH11231	188,264	-
Pass-Through from Alliance for Sustainable Energy, LLC			
National Renewable Energy Laboratory	81.DE-AC36-08GO28308	<u>694,093</u>	<u>288,688</u>
Total Research and Development Cluster		1,124,095	290,086
<b>Other Program</b>			
<b>U.S. Department of Agriculture</b>			
Data-Driven Market Transformation for Controlled Environment Agriculture	10.912	<u>297,573</u>	<u>209,345</u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 1,421,668</u></u>	<u><u>\$ 499,431</u></u>

AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of ACEEE, under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of ACEEE, it is not intended to and does not present the financial position, changes in net assets, or cash flows of ACEEE.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. INDIRECT COSTS**

ACEEE has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditor’s 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***

Board of Directors  
American Council for an Energy-Efficient Economy  
Washington, D.C.

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 American Council for an Energy-Efficient Economy (a nonprofit organization) (ACEEE), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered ACEEE’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 ACEEE’s internal control. Accordingly, we do not express an opinion on the effectiveness of ACEEE’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 or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether ACEEE’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 financial statements. 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*.

Board of Directors  
American Council for an Energy-Efficient Economy

***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 ACEEE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ACEEE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
June 24, 2024

Certified Public Accountants

**Independent Auditor’s Report on Compliance for Each Major  
Program and on Internal Control over Compliance  
Required by the Uniform Guidance**

Board of Directors  
American Council for an Energy-Efficient Economy  
Washington, D.C.

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited American Council for an Energy-Efficient Economy’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of ACEEE’s major federal programs for the year ended December 31, 2023. ACEEE’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, ACEEE’s complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of ACEEE and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of ACEEE’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to ACEEE’s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on ACEEE's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about ACEEE's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 ACEEE's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of ACEEE's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of ACEEE's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

**Report on Internal Control over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
June 24, 2024

Certified Public Accountants

**AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

    Material weakness(es) identified? No

    Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal control over major programs:

    Material weakness(es) identified? No

    Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Type of auditor's report issued on compliance for major programs:

Assistance Identifying Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Type of Auditor's Report
	<b>Research and Development Cluster</b>	Unmodified
	<b>U.S. Department of Energy</b>	
81.DE-AC05-76RL01830	Pass-Through from Battelle Memorial Institute Pacific Northwest National Laboratory	
81.DE-AC02-05CH11231	Pass-Through from The Regents of the University of California Lawrence Berkeley National Laboratory Utility Working Group for Efficient, Healthy and Decarbonized Schools	
81.DE-AC36-08GO28308	Pass-Through from Alliance for Sustainable Energy, LLC National Renewable Energy Laboratory	
	<b>U.S. Department of Agriculture</b>	
10.912	Data-Driven Market Transformation for Controlled Environment Agriculture Total Research and Development Cluster	

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? No

AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Section I - Summary of Auditor's Results (Continued)**

*Identification of Major Programs*

<u>Assistance Listing Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>
	<b>Research and Development Cluster</b>
	<b>U.S. Department of Energy</b>
81.DE-AC05-76RL01830	Pass-Through from Battelle Memorial Institute Pacific Northwest National Laboratory
81.DE-AC02-05CH11231	Pass-Through from The Regents of the University of California Lawrence Berkeley National Laboratory Utility Working Group for Efficient, Healthy and Decarbonized Schools
81.DE-AC36-08GO28308	Pass-Through from Alliance for Sustainable Energy, LLC National Renewable Energy Laboratory  Total Research and Development Cluster
	<b>Other Program</b>
	<b>U.S. Department of Agriculture</b>
10.912	Data-Driven Market Transformation for Controlled Environment Agriculture

Dollar threshold used to distinguish between  
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**Section II - Financial Statement Findings**

None reported.

**Section III - Federal Award Findings and Questioned Costs**

None reported.

**Section IV - Status of Prior Audit Findings**

None.