



COMPETITIVE
ENTERPRISE
INSTITUTE

Financial Statements

For the Year Ended September 30, 2024

(With Summarized Financial Information for the Year Ended September 30, 2023)



**and
Report Thereon**



COMPETITIVE ENTERPRISE INSTITUTE

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Independent Auditors' Report

The Board of Directors
Competitive Enterprise Institute
Washington, DC

Opinion

We have audited the financial statements of Competitive Enterprise Institute (CEI), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CEI as of September 30, 2024, 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 CEI 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 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 CEI's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CEI'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 CEI'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.

Other Matter

Report on Summarized Comparative Information

The financial statements of CEI as of and for the year ended September 30, 2023, were audited by Marcum LLP, whose report dated February 8, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CBIZ CPAs P.C.

Washington, DC
February 11, 2025

COMPETITIVE ENTERPRISE INSTITUTE

STATEMENT OF FINANCIAL POSITION

September 30, 2024

(With Summarized Financial Information as of September 30, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 4,024,361	\$ 1,155,918
Investments	1,295,573	3,275,780
Pledges receivable	984,500	1,910,000
Other receivables	11,872	10,574
Prepaid expenses	364,768	273,833
Deposits and other assets	61,832	61,832
Operating right of use asset	2,205,428	2,877,191
Finance right of use asset	15,179	20,382
Property and equipment, net of accumulated depreciation and amortization	407,983	426,915
TOTAL ASSETS	\$ 9,371,496	\$ 10,012,425
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 215,672	\$ 281,648
Accrued salaries and benefits	361,288	293,823
Operating lease liability, net of present value discount	2,946,074	3,803,494
Finance lease liability	20,371	24,898
TOTAL LIABILITIES	3,543,405	4,403,863
Net Assets		
Without donor restrictions	5,104,366	4,897,417
With donor restrictions	723,725	711,145
TOTAL NET ASSETS	5,828,091	5,608,562
TOTAL LIABILITIES AND NET ASSETS	\$ 9,371,496	\$ 10,012,425

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

COMPETITIVE ENTERPRISE INSTITUTE

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

(With Summarized Financial Information for the Year Ended September 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Grants and contributions	\$ 8,311,090	\$ 590,250	\$ 8,901,340	\$ 10,068,792
Special events	296,800	-	296,800	367,200
Contributed goods and services	59,137	-	59,137	116,344
Rental income	17,000	-	17,000	44,875
Investment income, net	158,206	-	158,206	58,975
Miscellaneous	1,620	-	1,620	9,663
Net assets released from restrictions:				
Satisfaction of purpose restrictions	577,670	(577,670)	-	-
TOTAL REVENUE AND SUPPORT	9,421,523	12,580	9,434,103	10,665,849
EXPENSES				
Program Services:				
Other programs	1,919,217	-	1,919,217	1,789,632
Center for Communication	1,218,377	-	1,218,377	1,434,460
Center for Energy and Environment	1,142,260	-	1,142,260	843,698
Center for Economic Freedom	1,134,989	-	1,134,989	1,134,238
Center for Litigation	840,323	-	840,323	875,356
Center for Technology and Innovation	724,896	-	724,896	835,116
Total Program Services	6,980,062	-	6,980,062	6,912,500
Supporting Services:				
Fundraising	1,523,199	-	1,523,199	1,332,928
General and administrative	580,622	-	580,622	643,763
Fundraising – cost of direct benefit to donors	130,691	-	130,691	99,490
Total Supporting Services	2,234,512	-	2,234,512	2,076,181
TOTAL EXPENSES	9,214,574	-	9,214,574	8,988,681
CHANGE IN NET ASSETS	206,949	12,580	219,529	1,677,168
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	4,897,417	711,145	5,608,562	3,931,394
NET ASSETS, END OF YEAR	\$ 5,104,366	\$ 723,725	\$ 5,828,091	\$ 5,608,562

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

COMPETITIVE ENTERPRISE INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2024
(With Summarized Financial Information for the Year Ended September 30, 2023)

	Program Services						Supporting Services					
	Other Programs	Center for Communication	Center for Energy and Environment	Center for Economic Freedom	Center for Litigation	Center for Technology and Innovation	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	2024 Total	2023 Total
Salaries, benefits and payroll taxes	\$ 1,018,702	\$ 721,746	\$ 768,789	\$ 826,576	\$ 486,216	\$ 523,912	\$ 4,345,941	\$ 833,144	\$ 314,338	\$ 1,147,482	\$ 5,493,423	\$ 4,543,721
Professional services	170,273	143,253	16,605	119,514	136,494	27,713	613,852	264,707	122,687	387,394	1,001,246	1,330,194
Occupancy	198,078	110,204	110,204	110,204	66,026	66,026	660,742	88,195	22,169	110,364	771,106	772,726
Travel and meetings	338,949	4,731	14,296	14,304	7,797	12,374	392,451	299,066	2,151	301,217	693,668	574,832
Advertising	8,326	95,515	-	-	-	-	103,841	3,654	-	3,654	107,495	424,434
Direct mail	-	-	165,363	1,755	71,531	58,765	297,414	67,661	33,871	101,532	398,946	394,672
Grant expense	16,000	-	-	-	-	-	16,000	-	15,000	15,000	31,000	377,500
Supplies and office expense	47,211	72,680	17,770	17,770	10,647	10,647	176,725	38,535	16,866	55,401	232,126	190,903
Fees, dues and subscriptions	4,083	18,424	10,810	5,906	34,821	1,824	75,868	11,322	23,682	35,004	110,872	104,740
Depreciation and amortization	34,951	19,446	19,446	19,446	11,650	11,650	116,589	15,562	8,995	24,557	141,146	123,958
Printing and postage	40,204	2,285	403	326	3,787	157	47,162	6,286	53	6,339	53,501	44,857
Insurance	13,459	7,484	7,484	7,484	4,484	4,484	44,879	6,129	1,505	7,634	52,513	55,403
Telephone	3,813	1,992	1,492	2,092	1,094	1,594	12,077	2,936	700	3,636	15,713	17,505
Bad debt	-	-	-	-	-	-	-	-	15,000	15,000	15,000	15,000
Interest	1,176	655	655	655	392	392	3,925	524	506	1,030	4,955	6,621
Training	23,328	19,825	8,806	8,806	5,276	5,276	71,317	12,797	2,340	15,137	86,454	691
Miscellaneous	664	137	137	151	108	82	1,279	3,372	759	4,131	5,410	10,924
TOTAL EXPENSES	<u>\$ 1,919,217</u>	<u>\$ 1,218,377</u>	<u>\$ 1,142,260</u>	<u>\$ 1,134,989</u>	<u>\$ 840,323</u>	<u>\$ 724,896</u>	<u>\$ 6,980,062</u>	<u>\$ 1,653,890</u>	<u>\$ 580,622</u>	<u>2,234,512</u>	<u>\$ 9,214,574</u>	<u>\$ 8,988,681</u>

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

COMPETITIVE ENTERPRISE INSTITUTE

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2024

(With Summarized Financial Information for the Year Ended September 30, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 219,529	\$ 1,677,168
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	(11,458)	4,100
Depreciation and amortization	135,943	123,958
Amortization of operating right of use asset	671,763	660,659
Amortization of finance right of use asset	5,203	5,205
Changes in assets and liabilities:		
Pledges receivable	925,500	(1,237,500)
Other receivables	(1,298)	10,416
Prepaid expenses	(90,935)	(68,267)
Accounts payable and accrued expenses	(65,976)	109,334
Accrued salaries and benefits	67,465	49,114
Operating lease liability	<u>(857,420)</u>	<u>(824,282)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>998,316</u>	<u>509,905</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(117,011)	(21,123)
Purchase of investments	(7,519,550)	(2,870,885)
Sale of investments	<u>9,511,215</u>	<u>258,931</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>1,874,654</u>	<u>(2,633,077)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on finance lease obligations	<u>(4,527)</u>	<u>(3,654)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(4,527)</u>	<u>(3,654)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,868,443	(2,126,826)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,155,918</u>	<u>3,282,744</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 4,024,361</u></u>	<u><u>\$ 1,155,918</u></u>

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

COMPETITIVE ENTERPRISE INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2024

1. Organization and Summary of Significant Accounting Policies

Organization

Competitive Enterprise Institute (CEI) was incorporated in the District of Columbia in 1984 as a nonprofit organization. CEI serves as a link between the academic community of free market scholars and the general public. CEI works to promote a better understanding of the values of a free society and the policies necessary for its survival by using policy analysis, public education and litigation. These activities are funded primarily through contributions and grants from individuals, corporations and foundations.

Basis of Presentation

The accompanying financial statements and footnotes have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Cash Equivalents

For financial statement purposes, CEI considers all highly liquid securities, and certificates of deposit with original maturity dates of 90 days or less, held outside of the managed investment portfolio, to be cash equivalents.

Pledges Receivable

All unconditional promises to give are expected to be collected within one to five years and are recorded as pledges receivable at net realizable value. Conditional promises to give are not included as support until the barriers to recognition are substantially met. CEI believes all pledges are fully collectible, and therefore does not have an allowance for uncollectible amounts.

Investments

Investments consist treasury bills and insurance annuity contracts which are recorded in the accompanying financial statements at fair value. The change in unrealized appreciation or depreciation of investments is included in investment income, net in the accompanying statement of activities. Realized gains and losses on sales of investments are computed using an average cost method, recorded on the trade date of the transactions and included in net investment income in the accompanying statement of activities.

Fair Value Measurement

Applicable financial assets and liabilities measured at fair value on a recurring basis are categorized in the fair value hierarchy as follows:

Level 1 – Valuation based on quoted prices in active markets for identical assets or liabilities as of the reporting date, without adjustment.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability, such as quoted prices for similarly structured securities in active markets.

COMPETITIVE ENTERPRISE INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Fair Value Measurement (continued)

Level/ 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the assets or liability.

As of September 30, 2024, only CEI's investments, as described in Note 2 of these financial statements, were measured at fair value on a recurring basis.

Property and Equipment and Related Depreciation and Amortization

Property and equipment are stated at cost and are depreciated using the straight-line method over three to seven years, with no salvage value. Leasehold improvements are amortized over the shorter of the lease period or useful life of the improvements. Expenditures for major repairs and improvements over \$1,000 and an economic life in excess of one year are capitalized; expenditures for minor repairs and maintenance costs are expensed when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation or amortization are eliminated from the respective accounts and the resulting gain or loss is included in revenue or expenses.

Classification of Net Assets

Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of CEI at the discretion of CEI's management and the Board of Directors. Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs 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 CEI or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of September 30, 2024, CEI had no net assets with donor restrictions that are required to be maintained in perpetuity.

Revenue Recognition

Unconditional grants and contributions are reported as revenue in the year in which unconditional promises to give are made. CEI reports gifts of cash and other non-financial assets that are received with donor stipulations limiting the use of the donated assets as net assets without donor restrictions if all such donor restrictions are met in the fiscal year in which the award is received. CEI reports gifts of cash and other non-financial assets as having donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose of a restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions.

Donated goods and services consisting principally of advertising are recorded as in-kind contributions at their estimated fair value as of the date of the donation.

COMPETITIVE ENTERPRISE INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Expenses directly attributed to a specific functional area of CEI are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the various functional areas based on estimates determined by management to be equitable. Occupancy, depreciation and other shared costs are allocated based on the number of employees working in the related department. Costs that are part of the direct mail campaigns are allocated based on the line counts of the direct mail pieces.

2. Investments

The following table summarizes CEI's investments measured at fair value on a recurring basis as of September 30, 2024:

	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Insurance annuity contracts	\$ 702,260	\$ -	\$ 702,260	\$ -
Domestic treasury obligations	<u>593,313</u>	<u>-</u>	<u>593,313</u>	<u>-</u>
Total Investments Carried at Fair Value	<u>\$ 1,295,573</u>	<u>\$ -</u>	<u>\$ 1,295,573</u>	<u>\$ -</u>

The insurance contracts are fixed annuities valued based upon published market valuation quotes for the underlying securities held by the annuities and have been classified as Level 2 by CEI. Domestic treasury obligations are valued on yields currently available on comparable securities of issuers with similar credit ratings.

COMPETITIVE ENTERPRISE INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2024

3. Property and Equipment

CEI's property and equipment consisted of the following as of September 30, 2024:

Leasehold improvements	\$ 1,030,574
Computers, website and equipment	590,284
Furniture	<u>239,714</u>
Total Property and Equipment	1,860,572
Less: Accumulated Depreciation and Amortization	<u>(1,452,589)</u>
Property and Equipment, Net	<u>\$ 407,983</u>

Depreciation and amortization expense totaled \$135,943 for the year ended September 30, 2024.

4. Commitments, Risks and Contingencies

Concentration of Credit Risk

The cash and cash equivalents of CEI are composed of amounts in accounts at various financial institutions. While the amounts, at times, exceed the amount guaranteed by federal agencies and, therefore, bear some risk, CEI has not experienced, nor does it anticipate, any loss of funds.

Operating Lease

CEI previously entered into a noncancelable operating lease for its current office space in Washington, D.C. that expires November 30, 2027. The lease includes a fixed escalation clause for increases in the annual minimum rent. CEI was also provided with a 16-month rental abatement and an allowance for tenant improvements of up to \$1,411,784, of which up to \$160,430 could either be used for leasehold improvements or applied to the rent balance. Of this amount, CEI used \$1,251,354 for various leasehold improvements and the remaining \$160,430 was applied as a credit against future rental payments.

Rent expense under this lease totaled \$771,106 for the year ended September 30, 2024.

During the year ended September 30, 2024, CEI paid approximately \$902,472 for amounts included in the measurement of the operating lease liability.

CEI has recorded the right of use asset, net of lease incentives, and lease obligations equal to the present value of the future lease payments due under the terms of the lease, discounted at the risk-free rate of 1.32%.

COMPETITIVE ENTERPRISE INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2024

4. Commitments, Risks and Contingencies (continued)

Operating Lease (continued)

The following summarizes the line items in the statement of financial position for leases at September 30, 2024.

Right of use asset	\$ 2,205,428
Operating lease liability	\$ 2,946,074

As of September 30, 2024, total future minimum lease payments required and future minimum rentals to be received under each of these operating leases were as follows:

For the Years Ending <u>September 30,</u>	
2025	\$ 925,039
2026	948,222
2027	971,911
2028	<u>165,350</u>
Total	3,010,522
Less present value discount (1.32%)	<u>(64,448)</u>
Lease Liability at September 30, 2024	<u>\$ 2,946,074</u>

Finance Lease

CEI has a finance lease through August 2027. As of September 30, 2024, the right of use asset recorded under the finance lease was \$15,179, and accumulated depreciation associated with the finance lease was \$5,203.

5. Net Assets With Donor Restrictions

As of September 30, 2024, net assets with donor restrictions were restricted for the following purposes or period:

Asset Forfeiture Reform	\$ 418,438
Eye on FTC Project	142,386
EPA Project	<u>162,901</u>
Total Net Assets With Donor Restrictions	<u>\$ 723,725</u>

6. Joint Costs

During the year ended September 30, 2024, CEI incurred joint costs from direct mail campaigns that included both educational materials and fundraising appeals.

COMPETITIVE ENTERPRISE INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2024

6. Joint Costs (continued)

These joint costs were allocated as follows for the year ended September 30, 2024:

Programs	\$ 297,414
Fundraising	67,661
General and administrative	<u>33,871</u>
Total Joint Costs of Activities	<u>\$ 398,946</u>

7. Availability and Liquidity

CEI regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. CEI's financial assets available within one year of the statement of financial position date for general expenditures at September 30, 2024, were as follows:

Cash and cash equivalents	\$ 4,024,361
Pledges receivable	984,500
Other receivables	11,872
Investments	<u>1,295,573</u>
Total Financial Assets	6,316,306
Less:	
Amounts unavailable for general expenditures due to donor restrictions	<u>(723,725)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 5,592,581</u>

CEI has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of CEI throughout the year. This is done through monitoring and reviewing CEI's cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of CEI's cash flow related to CEI's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. As part of its liquidity plan, excess cash is invested in fixed income annuities and laddered certificates of deposit. CEI can liquidate its investments at any time, and therefore the investments are available to meet current cash flow needs.

8. Contributed Services

Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. Contributed goods and services are recorded in the

COMPETITIVE ENTERPRISE INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2024

8. Contributed Services (continued)

accompanying statement of activities at their estimated fair value, which is valued at the actual costs of advertising. Contributed goods and services included advertising services in the amount of \$59,137 for the year ended September 30, 2024. All contributed goods and services are related to general and administrative activities. There were no donor-imposed restrictions associated with the donated goods and services.

9. Income Taxes

CEI has been classified as a public charity under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal taxes on income other than net unrelated business income. There was no provision for income tax for CEI for the year ended September 30, 2024, as CEI had no net taxable unrelated business income. CEI reviews and assesses all activities annually to identify any changes in the scope of the activities and revenue sources and the tax treatment thereof, to identify any uncertainty in income taxes. For the year ended September 30, 2024, management did not identify any uncertainty in income taxes requiring recognition or disclosure in these financial statements. CEI's tax returns are subject to possible examination by the taxing authorities; however, no examinations are pending or in progress.

10. Summarized Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with CEI's financial statements for the year ended September 30, 2023, from which the summarized information was derived.

11. Subsequent Events

CEI's management has evaluated the effect of subsequent events on the financial statements through February 11, 2025, the date these financial statements were available to be issued. Aside from the matter described below, there were no subsequent events identified that require recognition or disclosure in these financial statements.

In October 2024, CEI signed an amendment to its existing office space lease agreement that extended the agreement through August 31, 2033. The base monthly rent is \$65,509 with their landlord to renew their lease through 2033 and escalates by 3% on an annual basis. The lease includes an incentive to abate the rent for a period of nine months.