

**OHIO ENVIRONMENTAL COUNCIL  
ACTION FUND, INC., AND AFFILIATES**

FINANCIAL REPORT

June 30, 2023 and 2022

**OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES**

Table of Contents

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	<u>Page</u>
Independent Auditors' Report .....	1-3
Consolidated Financial Statements	
Consolidated Statements of Financial Position .....	4
Consolidated Statements of Activities .....	5
Consolidated Statements of Functional Expenses.....	6
Consolidated Statements of Cash Flows .....	7
Notes to Consolidated Financial Statements .....	8-12
Supplementary Information	
Consolidating Schedule of Financial Position .....	13
Consolidating Schedule of Activities .....	14



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Ohio Environmental Council Action Fund, Inc. and Affiliates  
Columbus, Ohio

### Opinion

We have audited the consolidated financial statements of Ohio Environmental Council Action Fund, Inc. and Affiliates, (non-profit Ohio corporations, the "Organizations"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organizations as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### Basis for Opinion

We conducted our audits 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 Audits of the Consolidated Financial Statements section of our report. We are required to be independent of the Organizations 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditors' Responsibility for the Audits of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

## Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The June 30, 2023 consolidating schedules on pages 13 and 14 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Meloney + Novotny LLC*

Columbus, Ohio  
December 1, 2023

**OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ <u>877,809</u>	\$ <u>947,552</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 12,756	\$ 20,438
Accounts payable - related party	<u>51,455</u>	<u>30,941</u>
Total current liabilities	64,211	51,379
<b>Net Assets</b>		
Without donor restrictions	753,378	820,673
With donor restrictions	<u>60,220</u>	<u>75,500</u>
Total net assets	<u>813,598</u>	<u>896,173</u>
Total liabilities and net assets	<u>\$ 877,809</u>	<u>\$ 947,552</u>

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

**OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES**

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>						
Grants and contracts	\$ 122,780	\$ 60,220	\$ 183,000	\$ 537,500	\$ 75,500	\$ 613,000
Contributions of cash and other financial assets	267,616	-	267,616	360,320	-	360,320
Interest income	2,116	-	2,116	184	-	184
Net assets released from restrictions	75,500	(75,500)	-	3,000	(3,000)	-
Total revenue and support	468,012	(15,280)	452,732	901,004	72,500	973,504
<b>Operating Expenses</b>						
Program	478,060	-	478,060	850,766	-	850,766
Administrative	42,011	-	42,011	41,079	-	41,079
Fundraising	15,236	-	15,236	42,977	-	42,977
Total operating expenses	535,307	-	535,307	934,822	-	934,822
Change in net assets	(67,295)	(15,280)	(82,575)	(33,818)	72,500	38,682
<b>Net Assets</b>						
Beginning of year	820,673	75,500	896,173	854,491	3,000	857,491
End of year	\$ 753,378	\$ 60,220	\$ 813,598	\$ 820,673	\$ 75,500	\$ 896,173

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

**OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

Years ended June 30, 2023 and 2022

	2023			
	Program	Administrative	Fundraising	Total
Salaries and fringe benefits	\$ 96,949	\$ 17,914	\$ 7,355	\$ 122,218
Bank and credit card fees	160	1,420	6,195	7,775
Contract services	104,103	2,615	-	106,718
Contributions	32,900	-	-	32,900
Insurance	-	210	-	210
Media and resources	165,512	-	-	165,512
Occupancy	5,490	1,355	417	7,262
Other	-	3,322	94	3,416
Permits and memberships	-	2,215	-	2,215
Printing and distribution	45,325	-	-	45,325
Professional services	13,496	7,095	1,024	21,615
Supplies	444	5,580	34	6,058
Travel	13,681	285	117	14,083
<b>Total operating expenses</b>	<b>\$ 478,060</b>	<b>\$ 42,011</b>	<b>\$ 15,236</b>	<b>\$ 535,307</b>

  

	2022			
	Program	Administrative	Fundraising	Total
Salaries and fringe benefits	\$ 112,836	\$ 7,607	\$ 6,339	\$ 126,782
Bank and credit card fees	-	683	1,026	1,709
Contract services	299,675	-	33,005	332,680
Contributions	35,950	-	-	35,950
Insurance	-	570	-	570
Media and resources	242,964	-	-	242,964
Occupancy	-	7,905	-	7,905
Other	291	172	16	479
Permits and memberships	1,971	133	111	2,215
Printing and distribution	88,039	117	-	88,156
Professional services	15,601	16,116	1,480	33,197
Special programs and events	46,260	-	1,000	47,260
Supplies	-	7,776	-	7,776
Travel	7,179	-	-	7,179
<b>Total operating expenses</b>	<b>\$ 850,766</b>	<b>\$ 41,079</b>	<b>\$ 42,977</b>	<b>\$ 934,822</b>

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



**OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years ended June 30, 2023 and 2022

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	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (82,575)	\$ 38,682
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Increase (decrease) in operating liabilities:		
Accounts payable	(7,682)	15,331
Accounts payable - related party	<u>20,514</u>	<u>(12,303)</u>
Net cash (used in) provided by operating activities	(69,743)	41,710
<b>Cash Balance</b>		
Beginning of year	<u>947,552</u>	<u>905,842</u>
End of year	<u><u>\$ 877,809</u></u>	<u><u>\$ 947,552</u></u>

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

# OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

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### NOTE A - DESCRIPTION OF ORGANIZATIONS

Ohio Environmental Council Action Fund, Inc. (the "Action Fund") was organized as a non-profit corporation in the State of Ohio. The Action Fund is an environmental advocate communicating with the public and Ohio lawmakers on important environmental issues and is supported by those who are dedicated to promoting clean water and improved energy standards in Ohio. The Action Fund is included in the Federation of State Conservation Voter Leagues' (the "Federation") list of subordinates covered under its group exemption (Group Exemption No. 8290) and under Section 501(c)(4) of the Internal Revenue Code (the "IRC"). The Action Fund's primary sources of revenue are from contributions and grants.

Conservation Ohio Political Action Committee ("Conservation Ohio") is a private non-profit corporation formed as an independent expenditure-only super political action committee under the Federal Election Campaign Act to engage in activities as a political organization. Conservation Ohio began operations in July 2018.

Ohio Environmental Council Action Fund Political Action Committee ("Action Fund PAC") is a private non-profit corporation formed as an independent expenditure-only political action committee under the Federal Election Campaign Act to engage in activities as a political organization. The Action Fund PAC began operations in July 2019.

### NOTE B - BASIS OF CONSOLIDATION

The Action Fund, Conservation Ohio, and the Action Fund PAC (collectively, the "Organizations") have the same Board of Directors and economic interest which requires the financial statements of the separate entities to be consolidated in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Inter-company transactions have been eliminated.

### NOTE C - BASIS OF ACCOUNTING

The Organizations prepare their consolidated financial statements on the accrual basis of accounting in conformity with U.S. GAAP.

Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organizations and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organizations and/or the passage of time. The net assets with donor restrictions as of June 30, 2023 and June 30, 2022 were restricted for clean energy advocacy or specific legal services.

## OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

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#### **NOTE C - BASIS OF ACCOUNTING (CONTINUED)**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire or are met in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

#### **NOTE D - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Organizations' significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

1. *Cash*

For purposes of the consolidated statement of cash flows, cash includes all of the Organizations' checking and savings accounts. The Organizations' cash accounts are insured by the Federal Deposit Insurance Corporation up to specified limits. The cash balances that exceed insured limits at June 30, 2023 and 2022 were \$441,305 and \$536,746, respectively. The Organizations believe they are not exposed to any significant credit risk on its cash balance and have not experienced any loss in such accounts.

2. *Revenue Recognition*

Grants and Contracts

A portion of the Organizations' revenue is derived from various cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organizations have incurred expenditures in compliance with contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. As of June 30, 2023 and 2022, the Organizations had no refundable advances and no grants and contracts revenue that had not been recognized due to conditions not being met.

Contributions of Cash and other Financial Assets

The Organizations recognize contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest 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 met.

## OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

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#### NOTE D - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. *Functional Allocation of Expenses*

The cost of providing programs and other activities have been reported in the consolidated statements of functional expenses. The expenses are allocated on employee time spent on each specific function or benefit each function received from the applicable expenses.

4. *Income Taxes*

The Action Fund is exempt from federal income taxes under Section 501(c)(4) of the IRC. Conservation Ohio and Action Fund PAC are exempt from federal income taxes under Section 527 of the IRC. Therefore, there is no provision for federal income taxes in the accompanying consolidated financial statements. Contributions made to the Organizations are not tax-deductible for federal income tax purposes.

The Organizations' evaluation on June 30, 2023 and 2022, revealed no uncertain tax positions that would have a material impact on the consolidated financial statements. The Organizations do not believe that any reasonably possible changes in tax positions will occur within the next twelve months that will have a material impact on the consolidated financial statements.

5. *Use of Management's Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expense during the period. Actual results could differ from those estimates.

#### NOTE E - CONCENTRATIONS

During the years ended June 30, 2023 and 2022 the Organizations received approximately 70-80% of its revenue and support from three donors/grantors. The Organizations are pursuing other grants and increasing fundraising efforts to offset these concentrations.

## OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

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#### NOTE F - FINANCIAL ASSETS AND LIQUIDITY

The following table reflects the Organizations' financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditures within one year:

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash	\$ 877,809	\$ 947,552
Less those not available for general expenditures:		
Net assets restricted by donors for specific purposes	<u>60,220</u>	<u>75,500</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 817,589</u>	<u>\$ 872,052</u>

As part of the Organizations' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organizations anticipate collecting revenues sufficient to cover operating expenses.

#### NOTE G - RELATED PARTY TRANSACTIONS

The Organizations have common board members and officers, as well as common management, with The Ohio Environmental Council (the "Council"). Under the Organizations' code of regulations, the Council has the right to appoint up to one-third of the Organizations' directors, therefore, consolidation is not required. At June 30, 2023 and 2022, the Organizations had a payable to the Council of \$51,455 and \$30,941, respectively. These amounts are related to services that the Council performs for the Organizations, as well as shared office space and reimbursement of expenses, such as printing and postage.

A formal reimbursement policy has been adopted by each organization. This policy includes the Council receiving reimbursements from the Organizations, for items at cost.

**OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2023 and 2022

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**NOTE G - RELATED PARTY TRANSACTIONS (CONTINUED)**

Total amounts reimbursed to the Council during the years ended June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Salaries and fringe benefits	\$ 122,218	\$ 126,782
Insurance	210	570
Media and resources	12,600	5,400
Occupancy	7,262	7,905
Other	3,416	298
Professional services	17,844	12,130
Special and program events	-	307
Supplies	4,037	6,371
Travel	2,146	1,415
	<u>\$ 169,733</u>	<u>\$ 161,178</u>

**NOTE H - SUBSEQUENT EVENTS**

The Organizations have evaluated subsequent events through the date of the independent auditors' report, which is the date the consolidated financial statements were available to be issued. The Organizations have determined that there were no subsequent events that required disclosure through the evaluation date.

**SUPPLEMENTARY INFORMATION**

**OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES**

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2023

	<u>Action Fund</u>	<u>Conservation Ohio</u>	<u>Action Fund PAC</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash	\$ 691,302	\$ 159,870	\$ 26,637	\$ -	\$ 877,809
Accounts receivable - related party	1,039	-	-	(1,039)	-
Total current assets	<u>\$ 692,341</u>	<u>\$ 159,870</u>	<u>\$ 26,637</u>	<u>\$ (1,039)</u>	<u>\$ 877,809</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 12,756	\$ -	\$ -	\$ -	\$ 12,756
Accounts payable - related party	51,455	780	259	(1,039)	51,455
Total current liabilities	64,211	780	259	(1,039)	64,211
<b>Net Assets</b>					
Without donor restrictions	567,910	159,090	26,378	-	753,378
With donor restrictions	60,220	-	-	-	60,220
Total net assets	<u>628,130</u>	<u>159,090</u>	<u>26,378</u>	<u>-</u>	<u>813,598</u>
Total liabilities and net assets	<u>\$ 692,341</u>	<u>\$ 159,870</u>	<u>\$ 26,637</u>	<u>\$ (1,039)</u>	<u>\$ 877,809</u>



**OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES**

CONSOLIDATING SCHEDULE OF ACTIVITIES

Year ended June 30, 2023

	<u>Action Fund</u>	<u>Conservation Ohio</u>	<u>Action Fund PAC</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenue and Support</b>					
Grants and contracts	\$ 183,000	\$ -	\$ -	\$ -	\$ 183,000
Contributions of cash and other financial financial assets	44,318	187,001	36,297	-	267,616
Interest income	1,419	697	-	-	2,116
Total revenue and support	<u>228,737</u>	<u>187,698</u>	<u>36,297</u>	<u>-</u>	<u>452,732</u>
<b>Operating Expenses</b>					
Program	283,658	163,788	30,614	-	478,060
Administrative	40,071	1,860	80	-	42,011
Fundraising	14,802	434	-	-	15,236
Total operating expenses	<u>338,531</u>	<u>166,082</u>	<u>30,694</u>	<u>-</u>	<u>535,307</u>
Change in net assets	(109,794)	21,616	5,603	-	(82,575)
<b>Net Assets - Total</b>					
Beginning of year	<u>737,924</u>	<u>137,474</u>	<u>20,775</u>	<u>-</u>	<u>896,173</u>
End of year	<u>\$ 628,130</u>	<u>\$ 159,090</u>	<u>\$ 26,378</u>	<u>\$ -</u>	<u>\$ 813,598</u>