

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

FINANCIAL REPORT

June 30, 2025 and 2024

OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

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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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 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 12, 2025

OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash	\$ 935,993	\$ 1,264,963
Prepaid expenses	121,207	11,343
Total current assets	1,057,200	1,276,306
Intangibles, net	<u>10,861</u>	<u>4,125</u>
Total assets	<u>\$ 1,068,061</u>	<u>\$ 1,280,431</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 29,990	\$ 38,519
Accounts payable - related party	108,901	258,378
Refundable advances	<u>-</u>	<u>60,000</u>
Total current liabilities	138,891	356,897
Net Assets		
Without donor restrictions	676,110	814,049
With donor restrictions	<u>253,060</u>	<u>109,485</u>
Total net assets	<u>929,170</u>	<u>923,534</u>
Total liabilities and net assets	<u>\$ 1,068,061</u>	<u>\$ 1,280,431</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, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Grants and contracts	\$ 731,940	\$ 253,060	\$ 985,000	\$ 455,515	\$ 109,485	\$ 565,000
Contributions of cash and other financial assets	640,122	-	640,122	66,530	-	66,530
Interest income	7,089	-	7,089	10,890	-	10,890
Other income	248	-	248	918	-	918
Net assets released from restrictions	<u>109,485</u>	<u>(109,485)</u>	<u>-</u>	<u>60,220</u>	<u>(60,220)</u>	<u>-</u>
Total revenue and support	1,488,884	143,575	1,632,459	594,073	49,265	643,338
Operating Expenses						
Program	1,522,309	-	1,522,309	457,639	-	457,639
Administrative	78,072	-	78,072	59,091	-	59,091
Fundraising	26,442	-	26,442	16,672	-	16,672
Total operating expenses	<u>1,626,823</u>	<u>-</u>	<u>1,626,823</u>	<u>533,402</u>	<u>-</u>	<u>533,402</u>
Change in net assets	(137,939)	143,575	5,636	60,671	49,265	109,936
Net Assets						
Beginning of year	<u>814,049</u>	<u>109,485</u>	<u>923,534</u>	<u>753,378</u>	<u>60,220</u>	<u>813,598</u>
End of year	<u>\$ 676,110</u>	<u>\$ 253,060</u>	<u>\$ 929,170</u>	<u>\$ 814,049</u>	<u>\$ 109,485</u>	<u>\$ 923,534</u>

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, 2025 and 2024

	2025			
	Program	Administrative	Fundraising	Total
Salaries and fringe benefits	\$ 325,030	\$ 16,095	\$ 6,448	\$ 347,573
Amortization	-	639	-	639
Bank and credit card fees	-	1,165	-	1,165
Contract services	574,085	22,416	13,377	609,878
Contributions	344,350	-	-	344,350
Insurance	628	131	12	771
Media and resources	243,792	-	-	243,792
Occupancy	16,697	1,988	361	19,046
Other	2,892	114	4,540	7,546
Professional services	-	1,635	-	1,635
Special programs and events	721	76	14	811
Supplies	31,396	2,980	613	34,989
Travel and meals	12,881	1,503	244	14,628
 Total operating expenses	 \$ 1,552,472	 \$ 48,742	 \$ 25,609	 \$ 1,626,823
2024				
	Program	Administrative	Fundraising	Total
Salaries and fringe benefits	\$ 208,409	\$ 28,856	\$ 14,125	\$ 251,390
Bank and credit card fees	-	2,736	-	2,736
Contract services	118,496	-	-	118,496
Contributions	29,750	-	-	29,750
Insurance	-	1,079	-	1,079
Media and resources	68,040	-	-	68,040
Occupancy	9,643	1,580	663	11,886
Other	-	789	-	789
Permits and memberships	-	2,565	-	2,565
Printing and distribution	-	-	-	-
Professional services	375	13,632	1,266	15,273
Supplies	-	7,096	5	7,101
Travel and meals	22,926	492	55	23,473
 Total operating expenses	 \$ 457,639	 \$ 59,091	 \$ 16,672	 \$ 533,402

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 5,636	\$ 109,936
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Amortization	639	-
(Increase) decrease in operating assets:		
Prepaid expenses	(109,864)	(11,343)
Increase (decrease) in operating liabilities:		
Accounts payable	(8,529)	25,763
Accounts payable - related party	(149,477)	206,923
Refundable advances	<u>(60,000)</u>	<u>60,000</u>
Net cash (used in) provided by operating activities	<u>(321,595)</u>	<u>391,279</u>
Cash Flows from Investing Activities		
Purchase of intangibles	<u>(7,375)</u>	<u>(4,125)</u>
Net change in cash	(328,970)	387,154
Cash Balance		
Beginning of year	<u>1,264,963</u>	<u>877,809</u>
End of year	<u>\$ 935,993</u>	<u>\$ 1,264,963</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

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.

Ohio Environmental Council Action Fund Political Action Committee (“Action Fund PAC”) is political action committee registered with the Ohio Secretary of State’s office under Ohio Revised Code 3517.10(D)(1) that may legally contribute to candidates running for office.

NOTE B - 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. 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.

2. Basis of Accounting

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

OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. *Basis of Presentation*

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, 2025 and June 30, 2024 were subject to donor-imposed purpose restrictions for clean energy advocacy.

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 released to net assets without donor restrictions.

4. *Cash*

For purposes of the financial statements, 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, 2025 and 2024 were \$545,847 and \$879,339, 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.

5. *Intangibles*

Intangibles are stated at cost. The Organizations capitalize internally created websites when the useful life extends beyond one year. Amortization is computed using the straight-line method over the anticipated useful lives of the assets. The anticipated useful life of websites is estimated to be 3 years. Operational expenditures such as on-going site maintenance which do not extend the useful life of the applicable assets are charged to expenses as incurred. The Organizations' website was placed in service during the year ended June 30, 2025 which is when the Organizations began recording amortization.

OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. *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, 2025 and 2024, the Organizations had refundable advances of \$0 and \$60,000, respectively.

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.

7. *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. Expenses that are allocated between programs and supporting activities include salaries and fringe benefits, professional services, and occupancy costs.

8. *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, 2025 and 2024, 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.

OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. *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 C - FINANCIAL ASSETS AND LIQUIDITY

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

	<u>2025</u>	<u>2024</u>
Financial Assets:		
Cash	\$ 935,993	\$ 1,264,963
Less those not available for general expenditures:		
Net assets restricted by donors for specific purposes	<u>253,060</u>	<u>109,485</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 682,933</u>	<u>\$ 1,155,478</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.

OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE D - RELATED PARTY TRANSACTIONS

The Organizations have common board members and officers, as well as common management, with The Ohio Environmental Council (the "Council"). A formal reimbursement policy has been adopted by each organization. This policy includes the Council receiving reimbursements from the Organizations for items at cost. At June 30, 2025 and 2024, the Organizations had a payable to the Council of \$108,901 and \$258,378, 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. The payable to the Council as of June 30, 2024 includes a \$188,000 grant payment that was remitted to the Organizations for a grant in which the Council is the grantee. During the year ended June 30, 2025 the Council contributed \$150,000 to the Organizations, reported in grants and contract revenue on the statement of activities.

Total amounts reimbursed to the Council during the years ended June 30:

	<u>2025</u>	<u>2024</u>
Salaries and fringe benefits	\$ 347,574	\$ 251,386
Insurance	771	1,079
Occupancy	19,050	11,887
Other	2,166	485
Professional services	31,616	22,625
Special programs and events	196	191
Supplies	4,847	6,742
Travel	138	1,809
	<u>\$ 406,358</u>	<u>\$ 296,204</u>

NOTE E - CONCENTRATIONS

During the years ended June 30, 2025 and 2024 the Organizations received approximately 75%-85% of its revenue and support from three donors/grantors. The Organizations continues to pursue other grants and increasing fundraising efforts to offset these concentrations.

NOTE F - 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.

SUPPLMENTARY INFORMATION

OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2025

	Action Fund	Conservation Ohio	Action Fund PAC	Eliminations	Total
ASSETS					
Current Assets					
Cash	\$ 795,847	\$ 127,765	\$ 12,381	\$ -	\$ 935,993
Accounts receivable - related party	19,285	-	-	(19,285)	-
Prepaid expenses	121,207	-	-	-	121,207
Total current assets	936,339	127,765	12,381	(19,285)	1,057,200
Intangibles, net	10,861	-	-	-	10,861
Total assets	<u>\$ 947,200</u>	<u>\$ 127,765</u>	<u>\$ 12,381</u>	<u>\$ (19,285)</u>	<u>\$ 1,068,061</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable	\$ 29,990	\$ -	\$ -	\$ -	\$ 29,990
Accounts payable - related party	106,790	20,093	1,303	(19,285)	108,901
Total current liabilities	136,780	20,093	1,303	(19,285)	138,891
Net Assets					
Without donor restrictions	557,360	107,672	11,078	-	676,110
With donor restrictions	253,060	-	-	-	253,060
Total net assets	<u>810,420</u>	<u>107,672</u>	<u>11,078</u>	<u>-</u>	<u>929,170</u>
Total liabilities and net assets	<u>\$ 947,200</u>	<u>\$ 127,765</u>	<u>\$ 12,381</u>	<u>\$ (19,285)</u>	<u>\$ 1,068,061</u>

OHIO ENVIRONMENTAL COUNCIL ACTION FUND, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES

Year ended June 30, 2025

	Action Fund	Conservation Ohio	Action Fund PAC	Eliminations	Total
Revenue and Support					
Grants and contracts	\$ 985,000	\$ -	\$ -	\$ -	\$ 985,000
Contributions of cash and other financial assets	347,241	245,000	47,881	-	640,122
Interest income	5,735	1,354	-	-	7,089
Other income	248	-	-	-	248
Total revenue and support	1,338,224	246,354	47,881	-	1,632,459
Operating Expenses					
Program	1,214,841	257,830	49,638	-	1,522,309
Administrative	71,781	4,958	1,333	-	78,072
Fundraising	26,428	14	-	-	26,442
Total operating expenses	1,313,050	262,802	50,971	-	1,626,823
Change in net assets	25,174	(16,448)	(3,090)	-	5,636
Net Assets					
Beginning of year	785,246	124,120	14,168	-	923,534
End of year	\$ 810,420	\$ 107,672	\$ 11,078	\$ -	\$ 929,170