

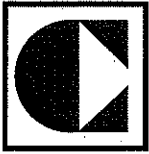
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

**OIL CHANGE INTERNATIONAL, INC.**

**June 30, 2021**  
**(with summarized financial information**  
**for the year ended June 30, 2020)**

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**DOUGLAS COREY & ASSOCIATES, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

10201 FAIRFAX BOULEVARD, SUITE 480

FAIRFAX, VIRGINIA 22030

(703) 354-2900 • Fax (703) 354-2606

E-MAIL: [coreycpa@coreycpa.com](mailto:coreycpa@coreycpa.com)

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Oil Change International, Inc.

We have audited the accompanying financial statements of Oil Change International, Inc. (a nonprofit organization), which comprise the balance sheet as of June 30, 2021 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oil Change International, Inc. as of June 30, 2021 and the changes in its net assets and its functional expenses and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited Oil Change International, Inc.'s June 30, 2019 financial statements, and our report dated February 8, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Alexandria, Virginia  
February 1, 2022

*Joseph Coey & Associates, P.C.*

**Oil Change International, Inc.**

**Balance Sheets**

**June 30, 2021 and 2020**

(See Independent Auditor's Report and notes to financial statements)

|   | <b>2021</b>             | <b>2020</b>             |
|---|-------------------------|-------------------------|
| <b>Current Assets</b>                     |                         |                         |
| Cash                                      | \$ 1,396,426            | \$ 834,835              |
| Contributions receivable                  | 602,641                 | 1,324,229               |
| Prepaid expenses and other current assets | <u>3,006</u>            | <u>67,906</u>           |
| <br>Total current assets                  | <br>2,002,073           | <br>2,226,970           |
| <br>Property and equipment                | <br>59,746              | <br>52,258              |
| Less: accumulated depreciation            | <u>(48,489)</u>         | <u>(42,225)</u>         |
|   | 11,257                  | 10,033                  |
| <br>Security deposit                      | <br><u>8,695</u>        | <br><u>8,400</u>        |
|   | <br><u>\$ 2,022,025</u> | <br><u>\$ 2,245,403</u> |

**Liabilities and Net Assets**

|                                       |                         |                         |
|---------------------------------------|-------------------------|-------------------------|
| <b>Current Liabilities</b>            |                         |                         |
| Accounts payable                      | \$ 58,834               | \$ 76,250               |
| Withholding payable                   | 5,865                   | 5,639                   |
| Short-term loan                       | <u>-</u>                | <u>200,400</u>          |
| <br>Total current liabilities         | <br>64,699              | <br>282,289             |
| <br><b>Net Assets</b>                 |                         |                         |
| Net assets without donor restrictions | (92,898)                | 446,687                 |
| Net assets with donor restrictions    | <u>2,050,224</u>        | <u>1,516,427</u>        |
|                                       | <u>1,957,326</u>        | <u>1,963,114</u>        |
|                                       | <br><u>\$ 2,022,025</u> | <br><u>\$ 2,245,403</u> |

**Oil Change International, Inc.**  
**Statement of Activities**  
**For the year ended June 30, 2021**  
**(with summarized totals for the year ended June 30, 2020)**  
(See Independent Auditor's Report and notes to financial statements)

|                                      | <u>Without donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>2021<br/>Total</u> | <u>2020<br/>Total</u> |
|--------------------------------------|---------------------------------------|------------------------------------|-----------------------|-----------------------|
| Revenues and other Support:          |                                       |                                    |                       |                       |
| Grants                               | \$ 300,210                            | \$ 2,793,607                       | \$ 3,093,817          | \$ 2,983,534          |
| Contributions                        | 204,911                               | -                                  | 204,911               | 422,514               |
| Sublease income                      | 12,445                                | -                                  | 12,445                | 41,004                |
| Reimbursements                       | 35,737                                | -                                  | 35,737                | 51,294                |
| Special event                        | -                                     | -                                  | -                     | 20,450                |
| Other income                         | -                                     | -                                  | -                     | 3,835                 |
| Interest                             | 156                                   | -                                  | 156                   | 179                   |
| Net assets released from restriction |                                       |                                    |                       |                       |
| Satisfaction of program restrictions | <u>2,259,810</u>                      | <u>(2,259,810)</u>                 | <u>-</u>              | <u>-</u>              |
|                                      | 2,813,269                             | 533,797                            | 3,347,066             | 3,522,810             |
| Expenses:                            |                                       |                                    |                       |                       |
| Program Services                     | 2,511,095                             | -                                  | 2,511,095             | 2,357,785             |
| Supporting Services                  |                                       |                                    |                       |                       |
| Fundraising                          | 238,820                               | -                                  | 238,820               | 213,997               |
| Management and general               | <u>602,939</u>                        | <u>-</u>                           | <u>602,939</u>        | <u>314,835</u>        |
| Total expenses                       | <u>3,352,854</u>                      | <u>-</u>                           | <u>3,352,854</u>      | <u>2,886,617</u>      |
| Change in Net Assets                 | (539,585)                             | 533,797                            | (5,788)               | 636,193               |
| Net Assets, beginning of year        | <u>446,687</u>                        | <u>1,516,427</u>                   | <u>1,963,114</u>      | <u>1,326,921</u>      |
| Net Assets, end of year              | <u>\$ (92,898)</u>                    | <u>\$ 2,050,224</u>                | <u>\$ 1,957,326</u>   | <u>\$ 1,963,114</u>   |

**Oil Change International, Inc.**  
**Statement of Functional Expenses**  
**For the year ended June 30, 2021**

(with summarized totals for the year ended June 30, 2020 )

(See Independent Auditor's Report and notes to financial statements)

|                                    | Program<br>Services | Supporting Services |            |             |                        | Total        |
|------------------------------------|---------------------|---------------------|------------|-------------|------------------------|--------------|
|                                    |                     | Mangement and       |            | Fundraising | Supporting<br>Services |              |
|                                    |                     | General             |            |             |                        |              |
|                                    |                     |                     |            |             | 2021                   | 2020         |
|                                    |                     |                     |            |             | Total                  | Total        |
| Consultants                        | \$ 913,663          | \$ 202,058          | \$ 80,072  | \$          | \$ 282,130             | \$ 850,955   |
| Salaries                           | 799,389             | 200,080             | 110,090    |             | 310,170                | 1,098,287    |
| Payroll taxes and benefits         | 290,824             | 42,879              | 32,157     |             | 75,036                 | 249,285      |
| Research materials                 | 70,781              | 44,333              | -          |             | 44,333                 | 56,932       |
| Telecommunications/internet        | 63,951              | 37,779              | 2,323      |             | 40,102                 | 54,891       |
| Occupancy                          | 81,868              | 9,321               | 7,107      |             | 16,428                 | 112,824      |
| Grants to others                   | 91,496              | -                   | -          |             | -                      | 30,565       |
| Advertising                        | 72,825              | -                   | -          |             | -                      | 25,114       |
| Office supplies and other expenses | 45,794              | 7,502               | 5,894      |             | 13,396                 | 66,741       |
| Periodicals and subscriptions      | 35,553              | 24                  | -          |             | 24                     | 41,320       |
| Travel and lodging                 | 25,091              | 6,871               | -          |             | 6,871                  | 224,715      |
| Legal and other professional fees  | 488                 | 30,640              | -          |             | 30,640                 | 36,131       |
| Bank charges and fees              | 18                  | 12,160              | -          |             | 12,160                 | 6,930        |
| Payroll processing/fees            | 2,962               | 4,326               | 439        |             | 4,765                  | 8,605        |
| Depreciation                       | 6,264               | -                   | -          |             | -                      | 8,150        |
| Insurance                          | 5,018               | 513                 | 267        |             | 780                    | 4,283        |
| Filing and registration fees       | 130                 | 4,415               | -          |             | 4,415                  | 1,602        |
| Copying and printing               | 3,710               | 38                  | 471        |             | 509                    | 6,698        |
| Membership fees                    | 1,270               | -                   | -          |             | -                      | 2,589        |
|                                    | \$ 2,511,095        | \$ 602,939          | \$ 238,820 | \$          | \$ 841,759             | \$ 2,886,617 |

**Oil Change International, Inc.**  
**Statements of Cash Flows**  
**For the years ended June 30, 2021 and 2020**  
(See Independent Auditor's Report and notes to financial statements)

|   | <b>2021</b>         | <b>2020</b>       |
|---|---------------------|-------------------|
| Cash flows from operating activities:   |                     |                   |
| Change in Net Assets  | \$ (5,788)          | \$ 636,193        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                     |                   |
| Depreciation  | 6,264               | 8,150             |
| Reclassification of loan to grant   | (200,400)           | -                 |
| (Increase) decrease in contributions receivable   | 721,588             | (862,359)         |
| (Increase) decrease in prepaid expenses and other current assets                            | 64,900              | 25,235            |
| (Increase) decrease in security deposit   | (295)               | -                 |
| Increase (decrease) in accounts payable and accrued expenses                                | <u>(17,190)</u>     | <u>24,579</u>     |
| Net cash provided (used) by operating activities  | 569,079             | (168,202)         |
| Cash flows from investing activities:   |                     |                   |
| Purchase of fixed assets  | (7,488)             | (7,235)           |
| Cash flows from financing activities:   |                     |                   |
| Proceeds from short-term loan   | <u>-</u>            | <u>200,400</u>    |
| Net increase in cash and cash equivalents   | 561,591             | 24,963            |
| Cash, beginning of year   | <u>834,835</u>      | <u>809,872</u>    |
| Cash, end of year   | <u>\$ 1,396,426</u> | <u>\$ 834,835</u> |
| Supplemental disclosures:   |                     |                   |
| Cash paid during the year for:  |                     |                   |
| Income taxes  | \$ <u>-</u>         | \$ <u>-</u>       |
| Interest expense  | \$ <u>-</u>         | \$ <u>-</u>       |



**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**  
(See Independent Auditor's Report)

**Note A - Nature of Organization**

Oil Change International, Inc. (OCI) is a non-profit corporation established in 2005 to network, encourage, and compliment a diversity of strategies and tactics around the oil industry. OCI is a research and advocacy organization that exists to force progress in the energy industry towards an environmentally and socially sustainable energy future. OCI achieves this by being a consistent and credible source of information on the industry, using knowledge of the industry to craft strategic, incisive campaigns, and by working with people around the world who are committed to shifting power. OCI's mission is to expose the true price of fossil fuels and to facilitate the coming transition to a clean energy economy.

**Note B - Summary of Accounting Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Method of Accounting

OCI's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

2. Financial Statement Presentation

OCI reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions represent resources that are not subject to donor-imposed restrictions and are available for operations at management's discretion.

Net Assets With Donor Restrictions represent resources restricted by the donor as to purpose or by the passage of time.

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies, continued**

3. Revenue

OCI receives grants and gifts from various sources, foundations, charitable organizations, and individuals. All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions assets and reported in the statement of activities as net assets released from restrictions.

4. Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. At June 30, 2021 and 2020, contributions receivable totaled \$602,641 and \$1,324,229, respectively. Management believes that amounts will be received when due, therefore no allowance for uncollectible contributions receivable has been provided. Contributions receivable that are unrestricted contributions are part of net assets with donor restrictions until they are received. Contributions receivable with donor restrictions are part of net assets with donor restrictions until the original restriction is satisfied.

5. Property and equipment

Property and equipment is recorded at cost at the date of acquisition. Donations of property and equipment are recorded as support at their estimated fair value at the date of the gift. The assets are depreciated on a straight-line basis over their estimated useful lives.

6. Income Taxes

OCI is exempt from income taxes on all activities directly related to its exempt purpose under the Internal Revenue Service Code Section 501(c)(3). OCI is liable for income taxes on unrelated business income. There was no taxable net unrelated business income for the years ended June 30, 2021 or 2020. Accordingly, no provision for income taxes has been made in these financial statements.

The Organization evaluated its tax positions and determined it has no uncertain tax positions as of June 30, 2021. The Organization's 2018 through 2020 tax years are open for examination by federal taxing authorities.

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies, continued**

7. Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of OCI.

8. Cash and cash equivalents

For purposes of the statement of cash flows, OCI considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents.

9. Use of Estimates

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

**Note C – Date of Management's Review**

In preparing the financial statements, OCI has evaluated events and transactions for potential recognition or disclosure through February 1, 2022, the date that the financial statements were available to be issued.

**Note D—Liquidity and Availability of Financial Assets**

OCI maintains a liquid cash balance in checking and savings accounts in an amount necessary to meet its anticipated operating expenditures for the first quarter of the next fiscal year.

The Organization's financial assets available for general expenditures through June 30, 2022 are as follows:

Financial assets:

|  |                     |
|--|---------------------|
| Cash and cash equivalents –available for<br>general expenditures within one year | <u>\$ 1,396,426</u> |
|--|---------------------|

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**  
(See Independent Auditor's Report)

**Note E – Fixed Assets**

Property and equipment:

|                          | <b>June 30, 2021</b> | <b>June 30, 2020</b> |
|--------------------------|----------------------|----------------------|
| Computer equipment       | \$ 59,746            | \$ 52,258            |
| Accumulated depreciation | <u>(48,489)</u>      | <u>(42,225)</u>      |
| Net book value           | <u>\$ 11,257</u>     | <u>\$ 10,033</u>     |

Depreciation expense for the year ended June 30, 2021 and 2020 totaled \$6,264 and \$8,150, respectively.

**Note F - Contributed Services**

Volunteers contribute their time to support OCI's programs. These hours do not meet the requirements to be recorded as revenue and expense.

**Note G – Net Assets**

Net assets with donor restrictions at June 30, 2021 and 2020 are available for the following purposes:

|                              | <b>June 30, 2021</b> | <b>June 30, 2020</b> |
|------------------------------|----------------------|----------------------|
| Contributions receivable     | \$ 602,641           | \$ 1,324,229         |
| Subsequent year use          | 260,500              | -                    |
| International Public Finance | 765,765              | 77,530               |
| Energy Transitions           | 225,305              | 114,668              |
| Stop Funding Fossils         | 63,246               | -                    |
| Infrastructure               | <u>132,767</u>       | <u>-</u>             |
|                              | <u>\$2,050,224</u>   | <u>\$1,516,427</u>   |

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**  
(See Independent Auditor's Report)

**Note H – Major Donors**

During the year ended June 30, 2021, OCI received approximately 51% of support from four major donors.

During the year ended June 30, 2020, OCI received approximately 59% of support from five major donors.

**Note I – Commitments and Contingencies**

OCI entered into an operating lease commencing July 1, 2018 and ending on June 30, 2023. Base rent under the lease is \$6,700, with annual increases. Rent expense for this space totaled \$74,855 and \$73,899 for the years ended June 30, 2021 and 2020, respectively.

Following is a schedule by year of future minimum lease payments:

|               |                  |
|---------------|------------------|
| June 30, 2022 | 81,600           |
| June 30, 2023 | <u>81,600</u>    |
|               | <u>\$163,200</u> |

OCI had various satellite offices during the year ended June 30, 2021. The offices were leased on a month-to-month basis. Rent expense for the space totaled \$11,718 for the year ended June 30, 2021.

OCI had various satellite offices during the year ended June 30, 2020. The offices were leased on a month-to-month basis. Rent expense for the space totaled \$16,255 for the year ended June 30, 2020.

OCI sublet office space in their Washington, D.C. office during the years ended June 30, 2021 and 2020. Revenue under the sublease totaled \$12,445 and \$41,004 for the years ended June 30, 2021 and 2020, respectively. The sublease was terminated in December 2020.

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**  
(See Independent Auditor's Report)

**Note J – Short-term Loan**

In May 2020, OCI obtained a \$200,400 Paycheck Protection Program (PPP) loan issued as part of the CARES Act. The PPP loan is for small businesses and non-profit corporations that were affected by the COVID-19 pandemic. The loan is forgivable by the federal government if certain expenditure criteria are met by the borrower. The loan is presented on the accompanying statement of financial position as of June 30, 2020 as a liability in accordance with FASB ASC 450-30.

During the year ended June 30, 2021, OCI met the expenditure criteria and the loan was fully forgiven. The liability has been reclassified to revenue and is included with grants on the accompanying statement of activities.

**Note K – Related Party Transactions**

During the years ended June 30, 2021 and June 30, 2020, contributions from board members, officers and family members of board members and officers \$32,427 and \$40,000, respectively.

During the year ended June 30, 2016, OCI entered into a cost sharing agreement with Oil Change USA (OCUSA), a related organization. The agreement covers costs incurred by OCI on behalf of OCUSA. OCUSA must reimburse OCI quarterly for any costs incurred on their behalf. For the years ended June 30, 2021 and June 30, 2020, OCI billed OCUSA for expenses totaling \$35,737 and \$51,294, respectively.

**Note L – Retirement Plan**

OCI maintains a defined contribution 401(k) plan available to employees over age twenty-one working more than twenty hours per week. Under the plan, OCI may, at its discretion, make contributions to each participant's account up to three-percent of the participant's salary. Participants are eligible for the employer match once they have completed one year of service. For the years ended June 30, 2021 and 2020, OCI's contributions to the plan totaled \$27,316 and \$25,836, respectively.

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**  
(See Independent Auditor's Report)

**Note M – FASB ASC 606 New Accounting Guidance Implementation**

The Financial Accounting Standards Board (FASB) issued new guidance that created topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition guidance in U.S. generally accepted accounting principles and requires the recognition of revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard is effective for years beginning after December 15, 2018. OCI adopted this guidance for the year ended June 30, 2020. There was no effect on July 1, 2019 balances as a result of the application of the standard.