

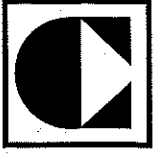
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

**OIL CHANGE INTERNATIONAL, INC.**

**June 30, 2023**  
**(with summarized financial information**  
**for the year ended June 30, 2022)**

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**June 30, 2023**

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**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 statement of financial position as of June 30, 2023, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

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, 2023, and the changes in its net assets and its functional expenses and cash flows for the year then ended in accordance with accounting standards 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Oil Change International, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism through 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 Oil Change International, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oil Change International, Inc.'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.

## Report on Summarized Comparative Information

We have previously audited Oil Change International, Inc.'s June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it was derived.

*Douglas Cory & Associates, P.C.*

Fairfax, Virginia  
April 30, 2024

**Oil Change International, Inc.**  
**Balance Sheets**  
**June 30, 2023 and 2022**  
(See Independent Auditor's Report and notes to financial statements)

	<b>2023</b>	<b>2022</b>
<b>Current Assets</b>		
Cash	\$ 2,094,624	\$ 1,613,197
Contributions receivable	4,194,415	2,074,924
Prepaid expenses and other current assets	<u>21,076</u>	<u>9,223</u>
Total current assets	6,310,115	3,697,344
Property and equipment	115,986	72,106
Less: accumulated depreciation	<u>(69,091)</u>	<u>(52,731)</u>
	46,895	19,375
Security deposit	<u>8,400</u>	<u>8,400</u>
	<u>\$ 6,365,410</u>	<u>\$ 3,725,119</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 200,255	\$ 54,198
Accrued vacation	120,671	-
Withholding payable	<u>3,502</u>	<u>6,165</u>
Total current liabilities	324,428	60,363
<b>Net Assets</b>		
Net assets without donor restrictions	446,308	1,315,935
Net assets board designated	950,363	-
Net assets with donor restrictions	<u>4,644,311</u>	<u>2,348,821</u>
	<u>6,040,982</u>	<u>3,664,756</u>
	<u>\$ 6,365,410</u>	<u>\$ 3,725,119</u>

**Oil Change International, Inc.**  
**Statement of Activities**  
**For the year ended June 30, 2023**  
(with summarized totals for the year ended June 30, 2022)  
(See Independent Auditor's Report and notes to financial statements)

	Without donor Restrictions	Board Designated	With Donor Restrictions	2023 Total	2022 Total
<b>Revenues and other Support:</b>					
Grants	\$ 1,456,665	\$ -	\$ 6,157,576	\$ 7,614,241	\$ 5,344,114
Contributions	309,756	-	-	309,756	300,226
Reimbursements	11,442	-	-	11,442	5,609
Other income	33,112	-	-	33,112	5,188
Interest	297	-	-	297	158
Net assets released from restriction					
Satisfaction of program restrictions	<u>3,862,086</u>	<u>-</u>	<u>(3,862,086)</u>	<u>-</u>	<u>-</u>
	5,673,358	-	2,295,490	7,968,848	5,655,295
<b>Expenses:</b>					
Program Services	4,855,942	-	-	4,855,942	3,165,829
Supporting Services					
Fundraising	263,182	-	-	263,182	138,682
Management and general	<u>473,498</u>	<u>-</u>	<u>-</u>	<u>473,498</u>	<u>643,354</u>
Total expenses	<u>5,592,622</u>	<u>-</u>	<u>-</u>	<u>5,592,622</u>	<u>3,947,865</u>
Change in Net Assets	80,736	-	2,295,490	2,376,226	1,707,430
Net Assets, beginning of year	1,315,935	-	2,348,821	3,664,756	1,957,326
Prior period adjustment	(550,363)	550,363	-	-	-
Net asset transfer	<u>(400,000)</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets, end of year	<u>\$ 446,308</u>	<u>\$ 950,363</u>	<u>\$ 4,644,311</u>	<u>\$ 6,040,982</u>	<u>\$ 3,664,756</u>

**Oil Change International, Inc.**  
**Statement of Functional Expenses**  
**For the year ended June 30, 2023**

(with summarized totals for the year ended June 30, 2022 )

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

	Program Services	Supporting Services					2022 Total
		Mangement and		Fundraising	Supporting		
		General			Services	Total	
Consultants	\$ 1,902,436	\$ 118,338	\$ 21,962	\$ 140,300	\$ 2,042,736	\$ 1,630,396	
Salaries	1,419,466	156,485	185,240	341,725	1,761,191	1,116,859	
Payroll taxes and benefits	577,932	38,864	48,204	87,068	665,000	519,732	
Travel and lodging	438,793	4,354	-	4,354	443,147	137,878	
Legal and other professional fees	8,622	93,913	-	93,913	102,535	79,587	
Occupancy	99,584	2,851	-	2,851	102,435	105,198	
Computer software	91,685	5,406	2,117	7,523	99,208	-	
Research materials	97,081	125	-	125	97,206	90,359	
Telecommunications/internet	53,819	3,583	994	4,577	58,396	53,492	
Periodicals and subscriptions	42,127	11,189	188	11,377	53,504	22,282	
Grants to others	52,075	-	-	-	52,075	95,111	
Copying and printing	25,567	911	251	1,162	26,729	1,078	
Insurance	8,916	11,833	-	11,833	20,749	2,445	
Advertising	12,899	6,307	725	7,032	19,931	8,319	
Depreciation	-	16,360	-	16,360	16,360	4,242	
Office supplies and other expenses	9,037	1,773	3,501	5,274	14,311	62,135	
Exchange loss	11,108	-	-	-	11,108	-	
Membership fees	3,722	328	-	328	4,050	450	
Filing and registration fees	200	878	-	878	1,078	1,519	
Other program expense	562	-	-	-	562	-	
Bank charges and fees	311	-	-	-	311	4,390	
Payroll processing/fees	-	-	-	-	-	12,393	
	\$ 4,855,942	\$ 473,498	\$ 263,182	\$ 736,680	\$ 5,592,622	\$ 3,947,865	



**Oil Change International, Inc.**  
**Statements of Cash Flows**  
**For the years ended June 30, 2023 and 2022**  
(See Independent Auditor's Report and notes to financial statements)

	<b>2023</b>	<b>2022</b>
Cash flows from operating activities:		
Change in Net Assets	\$ 2,376,226	\$ 1,707,430
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	16,360	4,242
(Increase) decrease in contributions receivable	(2,119,491)	(1,472,283)
(Increase) decrease in prepaid expenses and other current assets	(11,853)	(6,217)
(Increase) decrease in security deposit	-	295
Increase (decrease) in accounts payable and accrued expenses	<u>264,065</u>	<u>(4,336)</u>
Net cash provided (used) by operating activities	525,307	229,131
Cash flows from investing activities:		
Purchase of fixed assets	<u>(43,880)</u>	<u>(12,360)</u>
Net increase in cash and cash equivalents	481,427	216,771
Cash, beginning of year	<u>1,613,197</u>	<u>1,396,426</u>
Cash, end of year	<u>\$ 2,094,624</u>	<u>\$ 1,613,197</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, 2023 and 2022**  
(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.

In 2022, the board voted to designate \$400,000 to be set aside in preparation for any future contingencies.

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**  
(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, 2023 and 2022, contributions receivable totaled \$4,294,415 and \$2,074,924, 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, which range from 3 to 5 years.

6. Income Taxes

Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under Section 501 (c)(3) of the Internal Revenue Code and similar state provisions.

The Organization follows the guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There are no such uncertain tax positions for the years ended June 30, 2023 and 2022.

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**  
(See Independent Auditor's Report)

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

6. Income Taxes, continued

The Organization's tax returns are subject to possible examination by taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

7. Functional 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.

10. Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

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

In preparing the financial statements, OCI has evaluated events and transactions for potential recognition or disclosure through April 30, 2024, the date that the financial statements were available to be issued.

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**  
(See Independent Auditor's Report)

**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, 2024 are as follows:

Financial assets:

Cash and cash equivalents –available for general expenditures within one year	<u>\$ 2,094,624</u>
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**Note E – Fixed Assets**

Property and equipment:

	<b>June 30, 2023</b>	<b>June 30, 2022</b>
Computer equipment	\$ 115,986	\$ 72,106
Accumulated depreciation	<u>(69,091)</u>	<u>(52,731)</u>
Net book value	<u>\$ 46,895</u>	<u>\$ 19,375</u>

Depreciation expense for the year ended June 30, 2023 and 2022 totaled \$16,360 and \$4,242, 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.

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**  
(See Independent Auditor's Report)

**Note G – Net Assets**

Net assets with donor restrictions at June 30, 2023 and 2022 are available for the following purposes:

	<b>June 30, 2023</b>	<b>June 30, 2022</b>
Contributions receivable	\$ 4,294,415	\$ 2,074,924
International Public Finance	-	170,270
Global Industry	-	83,000
Movement Support	-	18,000
US	-	2,627
Other time restrictions	139,936	-
Stop Funding Fossils	190,960	-
Mini-grants	19,000	-
	<u>\$4,644,311</u>	<u>\$2,348,821</u>

**Note H – Major Donors**

During the year ended June 30, 2023, OCI received approximately 62% of support from three major donors.

During the year ended June 30, 2022, OCI received approximately 58% of support from three major donors.

**Note I – Commitments and Contingencies**

OCI entered into a lease commencing July 1, 2018 and ending on June 30, 2023. The lease was extended for one year through June 30, 2024. Under Accounting Standard Codification 842, the lease is classified as a Type B operating lease. Base rent under the original lease was \$6,700, with annual increases. Base rent under the lease extension is \$3,400 per month. At the end of the lease, it automatically renews on a month-to-month basis. Rent expense for this space totaled \$81,600 and \$82,592 for the years ended June 30, 2023 and 2022, respectively.

**Oil Change International, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**  
(See Independent Auditor's Report)

**Note I – Commitments and Contingencies, continued**

OCI had various satellite offices during the year ended June 30, 2023. The offices were leased on a month-to-month basis. Rent expense for the space totaled \$6,127 for the year ended June 30, 2023.

OCI had various satellite offices during the year ended June 30, 2022. The offices were leased on a month-to-month basis. Rent expense for the space totaled \$8,377 for the year ended June 30, 2022.

**Note J – Related Party Transactions**

During the years ended June 30, 2023 and June 30, 2022, contributions from board members, officers and family members of board members and officers totaled \$72,305 and \$75,537, 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, 2023 and June 30, 2022, OCI billed OCUSA for expenses totaling \$11,442 and \$5,738, respectively.

**Note K – 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, 2023 and 2022, OCI's contributions to the plan totaled \$29,759 and \$46,284, respectively.

**Note L – Prior Period Adjustment**

In prior periods, the board has voted to set aside \$550,363 for in preparation for any future contingencies. Those reclassifications were not reflected in prior financial statements. Reclassification results in an increase in board designated net assets of \$550,363 and a decrease unrestricted net assets of \$550,363.