



**Environmental Law and Policy
Center of the Midwest and Affiliate**

Consolidated Financial Statements

June 30, 2025

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

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To the Board of Directors
Environmental Law and Policy Center of the Midwest and
Environmental Law and Policy Center Action Fund
Chicago, Illinois

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying consolidated financial statements of Environmental Law and Policy Center of the Midwest and Environmental Law and Policy Center Action Fund (nonprofit organizations, collectively, the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 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 Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the 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 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 the financial statements of Environmental Law and Policy Center of the Midwest and Affiliate as of and for the year ended June 30, 2024, and we expressed an unmodified opinion on those financial statements in our report dated January 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of activities is presented for purposes of additional analysis and is 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 audit 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Sassetti LLC

Oak Brook, Illinois
January 28, 2026

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR JUNE 30, 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 3,348,319	\$ 1,520,943
Investments	40,124,899	35,997,404
Foundation grants receivable	1,338,036	3,090,076
Prepaid expenses	149,630	127,344
Property and equipment, net	19,751	18,099
Right-of-use asset	1,210,239	1,377,086
	\$ 46,190,874	\$ 42,130,952
LIABILITIES		
Accounts payable	\$ 541,772	\$ 552,897
Accrued expenses	245,537	161,113
Lease liability	1,274,119	1,426,252
	2,061,428	2,140,262
NET ASSETS		
Without donor restrictions:		
Undesignated	34,631,868	30,311,320
Board designated	4,460,866	4,460,866
Total without donor restrictions	39,092,734	34,772,186
With donor restrictions	5,036,712	5,218,504
Total Net Assets	44,129,446	39,990,690
Total Liabilities and Net Assets	\$ 46,190,874	\$ 42,130,952

The accompanying notes are an integral part of the consolidated financial statements.

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND OTHER SUPPORT				
Contributions	\$ 920,972	\$ -	\$ 920,972	\$ 716,613
Foundation grants	2,407,315	5,910,235	8,317,550	5,888,900
Special events, net of costs of direct benefit to donors of \$107,857 in 2025	169,740	-	169,740	174,168
Realized gains, interest, and dividends from investments	2,662,757	-	2,662,757	3,296,089
Other income	16,451	-	16,451	879,851
Net assets released from restriction	6,115,934	(6,115,934)	-	-
Total Revenues and Other Support	<u>12,293,169</u>	<u>(205,699)</u>	<u>12,087,470</u>	<u>10,955,621</u>
EXPENSES				
Program services	7,759,689	-	7,759,689	6,809,383
Supporting services	1,711,625	-	1,711,625	1,673,091
Total Expenses	<u>9,471,314</u>	<u>-</u>	<u>9,471,314</u>	<u>8,482,474</u>
Increase in net assets before other items	2,821,855	(205,699)	2,616,156	2,473,147
Unrealized gain on investments	1,498,693	23,907	1,522,600	1,439,939
CHANGE IN NET ASSETS	4,320,548	(181,792)	4,138,756	3,913,086
NET ASSETS				
Beginning of year	<u>34,772,186</u>	<u>5,218,504</u>	<u>39,990,690</u>	<u>36,077,604</u>
End of year	<u>\$ 39,092,734</u>	<u>\$ 5,036,712</u>	<u>\$ 44,129,446</u>	<u>\$ 39,990,690</u>

The accompanying notes are an integral part of the consolidated financial statements.

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

	Program Services						Total Program Services	2024
	Energy	Transportation	Great Lakes/Great Places	Clean Water	Clean Air/Climate/Other	Action Fund		
Salaries, benefits and payroll taxes	\$ 1,935,721	\$ 687,192	\$ 2,283,549	\$ 752,306	\$ 598,654	\$ 17,802	\$ 6,275,224	\$ 5,241,964
Consultants	48,516	5,347	158,031	10,348	31,916	1,542	255,700	697,076
Equipment and furniture	623	229	615	163	663	4	2,297	1,703
Training and recruitment	125	-	-	-	1,000	-	1,125	182
Travel	50,080	9,443	18,872	7,963	7,774	4	94,136	90,564
Conferences and meetings	8,240	1,694	6,406	1,841	7,762	17	25,960	20,634
Outside services	3,234	1,104	13,755	1,866	2,895	14,552	37,406	45,826
Subscriptions and publications	20,061	6,945	23,565	7,603	6,050	180	64,404	63,113
Dues, licenses and fees	19,555	1,735	9,272	17,074	2,047	2,604	52,287	104,820
Telephone	10,101	3,837	9,888	4,218	2,447	68	30,559	33,697
Photocopying and printing	-	249	250	-	-	-	499	338
Postage and deliveries	934	143	779	408	300	4	2,568	1,932
Public Awareness	2,665	990	3,242	891	709	395,664	404,161	4,171
Occupancy	137,836	48,933	162,603	53,569	42,629	1,268	446,838	442,634
General insurance	11,222	3,984	13,239	4,362	3,471	103	36,381	30,807
Supplies	3,949	1,291	4,292	1,517	1,131	33	12,213	12,687
Miscellaneous	150	-	500	-	855	-	1,505	2,250
Depreciation	4,296	1,525	5,067	1,669	1,329	40	13,926	12,485
Grants	-	-	-	2,500	-	-	2,500	2,500
Total Expenses	\$ 2,257,308	\$ 774,641	\$ 2,713,925	\$ 868,298	\$ 711,632	\$ 433,885	\$ 7,759,689	\$ 6,809,383

The accompanying notes are an integral part of the consolidated financial statements.

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

	Supporting Services			Totals		
	Management and General	Fundraising	Marketing	Total Support Services	2025	2024
Salaries, benefits and payroll taxes	\$ 678,617	\$ 514,807	\$ 113,660	\$ 1,307,084	\$ 7,582,308	\$ 6,456,198
Consultants	23,416	32,016	1,315	56,747	312,447	735,919
Equipment and furniture	1,080	112	602	1,794	4,091	2,502
Training and recruitment	-	499	-	499	1,624	15,430
Travel	12,947	4,862	2,536	20,345	114,481	113,087
Conferences and meetings	15,323	312	2,177	17,812	43,772	42,868
Outside services	17,973	8,783	2,886	29,642	67,048	58,764
Subscriptions and publications	10,483	14,665	9,217	34,365	98,769	107,824
Dues, licenses and fees	61,145	8,324	5,110	74,579	126,866	188,407
Telephone	4,842	3,226	1,936	10,004	40,563	44,453
Photocopying and printing	906	9,892	-	10,798	11,297	7,853
Postage and deliveries	310	960	56	1,326	3,894	2,580
Public Awareness	4,742	609	12,927	18,278	422,439	42,920
Occupancy	48,742	36,658	8,348	93,748	540,586	541,493
General insurance	3,934	2,985	659	7,578	43,959	37,944
Supplies	8,103	2,044	295	10,442	22,655	45,638
Miscellaneous	12,358	305	838	13,501	15,006	20,716
Depreciation	1,689	1,142	252	3,083	17,009	15,378
Grants	-	-	-	-	2,500	2,500
Total Expenses	\$ 906,610	\$ 642,201	\$ 162,814	\$ 1,711,625	\$ 9,471,314	\$ 8,482,474

The accompanying notes are an integral part of the consolidated financial statements.

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,138,756	\$ 3,913,086
Adjustments to reconcile to net cash provided by operating activities -		
Depreciation	16,826	15,378
Donated stocks	(287,278)	(247,859)
Noncash lease expense	166,847	153,956
Unrealized gain on investments	(1,536,698)	(1,439,939)
Realized gain on investments	(1,845,740)	(2,567,846)
(Increase) decrease in operating assets:		
Foundation grants receivable	1,752,040	2,519,797
Prepaid expenses	(22,286)	(6,729)
Increase (decrease) in operating liabilities:		
Accounts payable	(11,125)	(19,346)
Accrued expenses	84,424	(315,792)
Lease liability	(152,133)	(141,326)
Net Cash Provided by Operating Activities	2,303,633	1,863,380
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(18,203,822)	(5,046,614)
Sales of investments	17,746,043	2,608,931
Purchases of property and equipment	(18,478)	(11,516)
Net Cash Used in Investing Activities	(476,257)	(2,449,199)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,827,376	(585,819)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,520,943	2,106,762
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,348,319	\$ 1,520,943

The accompanying notes are an integral part of the consolidated financial statements.

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

1. NATURE OF ACTIVITIES

Environmental Law and Policy Center of the Midwest (ELPC) is a nonprofit organization whose mission is to protect and enhance the environment, natural resources and quality of life in Midwestern States and to provide legal representation and other technical support to environmental, civic and governmental organizations involved in cases or policy matters involving environmental, energy and public health policy issues. ELPC's activities are funded primarily by grants and contributions from various foundations and individuals. ELPC conducts activities from headquarters in Chicago, Illinois, and has offices in Iowa, Michigan, Minnesota, Ohio, Washington D.C. and Wisconsin.

ELPC was established for the promotion of social welfare within the meaning of Internal Revenue Code (IRC) section 501(c)(3), including, but not limited to, improving environmental quality and protecting and preserving natural resources by engaging in effective public advocacy, legislative outreach and public education activities.

The Environmental Law and Policy Center Action Fund (the Action Fund) is exempt from income taxes under IRC section 501(c)(4) and applicable state law.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The consolidated financial statements include the accounts of the ELPC and of the Action Fund. ELPC has both control and economic interest in the Action Fund. Certain members sit on both boards of directors and their organizations share common management. Inter-organizational balances and all significant intercompany transactions have been eliminated in consolidation for the period June 30, 2025. ELPC and the Action Fund are collectively referred to herein as the Organization.

Classification of Net Assets - Under generally accepted accounting principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The net assets of the Organization are reported in the two self-balancing groups as follows:

Net Assets without Donor Restriction - Net assets without donor restrictions are for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. This includes the Midwest Advocates Fund, which was established by ELPC's board of directors to serve as a designated reserve fund.

Net Assets with Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Also included in this category are net assets subject to donor-directed restrictions to be maintained in perpetuity by ELPC.

Investments - Investments consist of certificates of deposit and shares of mutual funds. Certificates of deposit that have original maturities of up to 12 months are recorded at cost plus accrued interest, which approximates fair value. Mutual fund shares are recorded at fair value. Changes in fair value are recorded as an unrealized gain or loss. Interest income is recognized under the accrual basis.

Revenue and Expense Recognition - For financial reporting purposes, the Organization recognizes grantors' unconditional promises to give cash and other assets as revenue in the period in which the promises are made. Conditional promises to give are recognized as revenue in the period in which the conditions are met.

Management determines an allowance, if any, for uncollectible promises to give by considering such factors as prior collection history with the donor and the type of contribution. Management has determined that no reserve is needed for foundation grants receivable at June 30, 2025.

Revenues for special events are recognized when earned, which is generally in the period the event takes place. Amounts received applicable to future events are recorded as deferred revenue. Direct costs are deferred and recognized similarly.

Management maintains internal accounting records for the Organization which track contribution and grant revenue according to the year for which its expenditure or use was intended by the donor, based on management's review of contribution and grant documents and understanding of donors' intentions. Total revenue per these internal account records may differ from total revenue as reflected in the consolidated financial statements because unconditional grants and contributions are recognized at the time they are pledged, regardless of their payment terms or when their use is otherwise intended. Total revenue intended for use in 2025 per management's internal accounting records was approximately \$12.4 million as opposed to the approximately \$12.1 million total revenue reflected in the consolidated statement of activities.

Contributions and Foundation Grants - Grants receivable have been recorded for amounts recognized as foundation grants revenue where collection is not expected until a future date. Grants receivable due in excess of one year are recorded net of a present value discount, based on a risk adjusted rate of return, was not deemed material as of the year ended June 30, 2025. The discount is amortized into contribution revenue over the expected collection period. As of the year ended June 30, 2025, grants receivable of \$925,000 is expected to be received within one year with the remaining contributions to be received within three years.

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Other Income - Other income consists primarily of fee awards, which represent reimbursement for legal fees incurred in successful litigation activities, and contract income, which represents amounts received for services provided under terms of contract agreements.

Certificates of Deposit - The Organization and affiliate invest in certificates of deposit with terms of one year with various financial organizations. Certificates of deposit are stated at cost plus interest earned.

Functional Expenses - In the consolidated statement of functional expenses, the costs which are directly associated with a particular program or supportive service are allocated directly to that functional category. Additionally, certain costs have been allocated among the programs and supporting services benefited based on staff time devoted to the functional areas or other appropriate allocation methods determined by management.

Property and Equipment - All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense was \$16,826 for the year ended June 30, 2025.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Consolidated Statement of Cash Flows - The Organization and its affiliate consider investments with an initial maturity of less than three months to be cash equivalents. No cash was paid for income taxes or interest expenses during the year ended June 30, 2025.

Income Tax Status - The Environmental Law and Policy Center and The Environmental Law and Policy Center Action Fund are exempt from Federal income tax under Sections 501(c)(3) and 501(c)(4) of the Internal Revenue Code, respectively. The Organization's Forms 990, Return of Organization Exempt from Income Tax are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Leases - The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the consolidated statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term at the commencement date.

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As most leases do not provide an implicit rate, the Organization has elected to use a risk-free borrowing rate based on the information available at the commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Subsequent Events - The Organization has evaluated subsequent events through January 28, 2026, the date which the financial statements were available to be issued.

3. FAIR VALUE MEASUREMENTS AND INVESTMENTS

The Organization follows generally accepted accounting principles related to fair value measurement. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Organization considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

Generally accepted accounting principles related to fair value disclosure also establish a fair value hierarchy that requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value are as follows:

Level 1: quoted prices in active markets for identical assets, or

Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or dissimilar assets or liabilities or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table summarizes the classification of investments by classification and method of valuation in accordance with the requirements or generally accepted accounting principles at June 30, 2025:

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

	2025			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 39,578,797	\$ -	\$ -	\$ 39,578,797
Certificates of deposit	-	546,102	-	546,102
	\$ 39,578,797	\$ 546,102	\$ -	\$ 40,124,899

The Organization's valuation methodology used to measure the fair values of mutual funds and exchange-traded products were derived from quoted market prices as all of these instruments have active markets.

Investment securities are exposed to various risks including interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Investment income consists of the following components for the year ended June 30:

	2025
Interest	\$ 21,253
Dividends	795,764
Realized gains	1,845,740
	2,662,757
Unrealized gains	1,522,600
	\$ 4,185,357

4. ENDOWMENT

The Organization's endowment consists of various individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the State of Illinois' Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The donor-

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

restricted portion of the endowment is \$473,345. The remaining portion of the donor-restricted endowment fund is appropriated for expenditure by the Organization in a manner consistent with the standard of prudence described by UPMIFA.

In accordance with the UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- The investment policies of the Organization
- The direction of the donor

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowed assets to provide a predictable stream of funding for programs supported by its endowments, while seeking to maintain the purchasing power of gift values at the time they are received. Endowed assets include donor restricted funds that the Organization will hold in perpetuity or for a donor specified period.

Withdrawal Policy

The Organization established a withdrawal policy, which allows for the appropriation of up to 7% to the average market value of the endowment over the preceding three years. Appropriated earnings are to be used for the Organization's operations and expenses in accordance with donor restrictions, if any. There were no appropriations for the year ended June 30, 2025.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. No deficiencies are noted for the year ending June 30, 2025.

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ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

Endowment Activity for the year ended June 30, 2025 is as follows:

	2025
Endowment Balance, beginning	\$ 505,249
Earnings:	
Dividends	23,907
Less: Investment expense	-
Total earnings, net	23,907
Endowment Balance, ending	\$ 529,156

5. DONOR RESTRICTED NET ASSETS

Net assets with donor restrictions were available for the following purposes at June 30, 2025:

	2025
Energy	\$ 1,288,254
Transportation	110,000
Great Lakes/Great Places	764,804
Clean Water	241,871
Other Projects	436,451
General support (time restricted)	940,000
ELPC Action Fund	726,176
Endowment	529,156
	\$ 5,036,712

Net assets with donor restrictions were released from restrictions for the following purposes for the year ended at June 30, 2025:

	2025
Energy	\$ 2,256,685
Transportation	160,000
Great Lakes/Great Places	1,511,522
Clean Water	361,408
Other Projects	207,434
General support (time restricted)	1,155,000
ELPC Action Fund	463,885
	\$ 6,115,934

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

6. CONCENTRATIONS

The Organization maintains its cash balances at various financial institutions. At times, the balances may exceed federally insured limits.

7. EMPLOYEE BENEFIT PLAN

The Organization maintains a defined contribution annuity plan, which provides participants with salary deferral options and discretionary matching contributions made by the Organization. Essentially all employees are eligible to participate in the plan beginning on their date of hire and they become fully vested upon joining the plan. Employer contributions made for the year ended June 30, 2025 was \$409,284.

8. PROPERTY AND EQUIPMENT

Major classes of property and equipment are as follows at June 30:

	<u>2025</u>
Furniture and equipment	\$ 320,190
Leasehold improvements	<u>1,368,607</u>
	1,688,797
Less: Accumulated depreciation	<u>(1,669,046)</u>
Net property and equipment	<u>\$ 19,751</u>

9. LIQUIDITY AND AVAILABLE RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments.

For purposes of analyzing resources available to meet general expenditures over the next twelve-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

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ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

The Organization's financial assets available for general expenditure within one year of the statement of financial position date of June 30 are as follows:

	2025
Cash and cash equivalents	\$ 3,348,319
Investments	40,124,899
Foundation grants receivable	1,338,036
Total financial assets	44,811,254
Less: Amounts not available to be used within one year:	
Board designated funds	(4,460,866)
Donor restricted net assets for timeframe greater than one year	(2,841,380)
Donor restricted endowment fund	(529,156)
Total amounts unavailable for general expenditure within one year	(7,831,402)
Total financial assets available to management for general expenditure within one year	\$ 36,979,852

10. LEASE COMMITMENTS

The Organization evaluated the current contracts to determine if they met the criteria of a lease. The right-of-use asset represents the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from the lease.

The Organization's headquarters in Chicago, Illinois are subject to an operating lease with terms through December 2031. The asset and lease liability, which arise from the operating lease for office space, was calculated based on the present value of future lease payments over the lease term.

The Organization leases additional office space in other states (Iowa, Minnesota, Ohio, Washington D.C. and Wisconsin) under annual and month-to-month agreements expiring on various dates.

The total operating lease expense was \$205,492 and total rent expense for the year ended June 30, 2025, was \$533,994.

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ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
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JUNE 30, 2025

Future payments required under this lease for the year ended June 30 are as follows:

Year Ending June 30,	Base Rent
2026	\$ 197,355
2027	203,933
2028	210,512
2029	217,091
2030	223,669
Thereafter	347,016
Total undiscounted cash flows	1,399,576
Less: present value discount	(125,456)
Total lease liabilities	\$ 1,274,119

The below table provides additional information related to the Organization's leases as of June 30, 2025:

Remaining lease term for operating leases (in years)	6.50
Weighted average discount rate for operating leases	2.88%

ENVIRONMENTAL LAW AND POLICY CENTER OF THE MIDWEST AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

	Environmental Law and Policy Center of the Midwest			Environmental Law and Policy Center Action Fund			Eliminations	Totals	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		2025	2024
REVENUES AND OTHER SUPPORT									
Contributions	\$ 919,548	\$ -	\$ 919,548	\$ 1,424	\$ -	\$ 1,424	\$ -	\$ 920,972	\$ 716,613
Foundation grants	2,377,315	5,910,235	8,287,550	30,000	-	30,000	-	8,317,550	5,888,900
Special events, net of costs of direct benefit to donors of \$107,857 in 2025	169,740	-	169,740	-	-	-	-	169,740	174,168
Realized gains, interest, and dividends from investments	2,642,020	-	2,642,020	20,737	-	20,737	-	2,662,757	3,296,089
Other income	39,193	-	39,193	257,258	-	257,258	(280,000)	16,451	879,851
Net assets released from restriction	6,115,934	(6,115,934)	-	-	-	-	-	-	-
Total Revenues and Other Support	12,263,750	(205,699)	12,058,051	309,419	-	309,419	(280,000)	12,087,470	10,955,621
EXPENSES									
Program services	7,989,281	-	7,989,281	20,408	-	20,408	(250,000)	7,759,689	6,809,383
Supporting services	1,298,146	-	1,298,146	443,479	-	443,479	(30,000)	1,711,625	1,673,091
Total Expenses	9,287,427	-	9,287,427	463,887	-	463,887	(280,000)	9,471,314	8,482,474
Increase in net assets before other items	2,976,323	(205,699)	2,770,624	(154,468)	-	(154,468)	-	2,616,156	2,473,147
Unrealized gain on investments	1,498,693	23,907	1,522,600	-	-	-	-	1,522,600	1,439,939
CHANGE IN NET ASSETS	4,475,016	(181,792)	4,293,224	(154,468)	-	(154,468)	-	4,138,756	3,913,086
NET ASSETS									
Beginning of year	34,009,581	5,265,090	39,274,671	762,605	(46,586)	716,019	-	39,990,690	36,077,604
End of year	\$ 38,484,597	\$ 5,083,298	\$ 43,567,895	\$ 608,137	\$ (46,586)	\$ 561,551	\$ -	\$ 44,129,446	\$ 39,990,690

The accompanying notes are an integral part of the consolidated financial statements.