

**FRIENDS OF THE EARTH  
FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Friends of the Earth  
Washington, DC

We have audited the accompanying financial statements of Friends of the Earth, which comprise the statements of financial position as of June 30, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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 auditors' 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 express no such 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.

Board of Directors  
Friends of the Earth

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the Earth as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Arlington, Virginia  
March 18, 2022

**FRIENDS OF THE EARTH  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 10,730,513	\$ 6,878,325
Grants and Contributions Receivable	2,106,132	878,190
Accounts Receivable	20,575	34,963
Due from Friends of the Earth (Action), Inc.	12,204	354,808
Prepaid Expenses and Other Assets	191,939	269,009
Total Current Assets	13,061,363	8,415,295
<b>NONCURRENT ASSETS</b>		
Assets Held Under Charitable Gift Annuity Arrangements	296,808	187,840
Certificates of Deposit	145,532	145,532
Investments	5,996,505	5,880,015
Fixed Assets, Net	889,955	1,050,583
Deposits	174,405	173,613
Total Noncurrent Assets	7,503,205	7,437,583
 Total Assets	 \$ 20,564,568	 \$ 15,852,878
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 729,655	\$ 604,355
Accrued Leave	376,379	330,565
Deferred Rent, Current	50,187	29,011
Leasehold Improvement Allowance, Current	87,771	87,771
Total Current Liabilities	1,243,992	1,051,702
<b>NONCURRENT LIABILITIES</b>		
Loan Payable	113,572	-
Deferred Rent, Long-Term	808,892	858,960
Leasehold Improvement Allowance, Long-Term	563,194	650,964
Charitable Gift Annuities Liability	66,388	10,470
PPP Loan	-	1,162,500
Total Noncurrent Liabilities	1,552,046	2,682,894
 Total Liabilities	 2,796,038	 3,734,596
<b>NET ASSETS</b>		
Without Donor Restrictions	15,391,248	10,613,505
With Donor Restrictions	2,377,282	1,504,777
Total Net Assets	17,768,530	12,118,282
 Total Liabilities and Net Assets	 \$ 20,564,568	 \$ 15,852,878

See accompanying Notes to Financial Statements.

**FRIENDS OF THE EARTH  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>						
Grants, Bequests, and Contributions	\$ 9,940,500	\$ 4,187,620	\$ 14,128,120	\$ 8,106,909	\$ 2,467,262	\$ 10,574,171
PPP Loan Forgiveness	1,162,500	-	1,162,500	-	-	-
Investment Income	1,322,572	64,801	1,387,373	268,185	13,560	281,745
Leadership Giving (ASD)	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Rental Income	198,960	-	198,960	194,107	-	194,107
Mailing List Sales	11,678	-	11,678	27,297	-	27,297
Other	57,322	-	57,322	79,301	-	79,301
Net Assets Released from Restrictions	3,379,916	(3,379,916)	-	3,317,570	(3,317,570)	-
Total Revenue	17,073,448	872,505	17,945,953	12,993,369	(836,748)	12,156,621
<b>EXPENSES</b>						
Program Expenses:						
Economic Policy	1,200,481	-	1,200,481	991,263	-	991,263
Climate and Energy	1,126,165	-	1,126,165	1,023,198	-	1,023,198
Food and Technology	1,639,010	-	1,639,010	1,373,544	-	1,373,544
Oceans and Vessels	877,207	-	877,207	708,965	-	708,965
Outreach, Communications, DEI, and NC Restricted	3,626,739	-	3,626,739	3,978,984	-	3,978,984
Membership	979,773	-	979,773	681,174	-	681,174
Organizing	461,338	-	461,338	305,128	-	305,128
Total Program Expenses	9,910,713	-	9,910,713	9,062,256	-	9,062,256
Supporting Expenses:						
Management and General	693,079	-	693,079	814,300	-	814,300
Fundraising	1,691,913	-	1,691,913	1,370,717	-	1,370,717
Total Supporting Expenses	2,384,992	-	2,384,992	2,185,017	-	2,185,017
Total Expenses	12,295,705	-	12,295,705	11,247,273	-	11,247,273
<b>CHANGE IN NET ASSETS</b>	4,777,743	872,505	5,650,248	1,746,096	(836,748)	909,348
Net Assets - Beginning of Year	10,613,505	1,504,777	12,118,282	8,867,409	2,341,525	11,208,934
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 15,391,248</u>	<u>\$ 2,377,282</u>	<u>\$ 17,768,530</u>	<u>\$ 10,613,505</u>	<u>\$ 1,504,777</u>	<u>\$ 12,118,282</u>

See accompanying Notes to Financial Statements.

**FRIENDS OF THE EARTH  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021**

	Program Expenses							Supporting Services				Total Expenses	
	Economic Policy	Climate and Energy	Food and Technology	Oceans and Vessels	Outreach, Communications, DEIJ, and NC Restricted	Membership	Organizing	Total	Fundraising	Overheads	Management and General		Total
Salaries	\$ 485,997	\$ 414,830	\$ 720,769	\$ 338,306	\$ 654,774	\$ 125,922	\$ 213,164	\$ 2,953,762	\$ 434,505	\$ 262,069	\$ 357,077	\$ 1,053,651	\$ 4,007,413
Payroll Taxes and Fringe Benefits	135,808	114,851	205,609	98,524	195,125	35,830	59,036	844,783	120,894	86,492	93,761	301,147	1,145,930
Professional Fees	182,952	333,867	261,094	176,469	309,751	104,750	31,829	1,400,712	95,471	474,582	15,297	585,350	1,986,062
Advertising and Media	2,184	1,212	15,894	-	3,403	-	-	22,693	-	6,676	-	6,676	29,369
Research, Data, Lists	45,224	-	67	-	1,088,434	82,302	18,000	1,234,027	230,644	-	-	230,644	1,464,671
Web Services	2,733	45	3,822	-	120,701	7,774	4,710	139,785	69,213	605	-	69,818	209,603
Professional Development	1,620	585	2,870	2,583	1,175	-	4,255	13,088	904	1,552	-	2,456	15,544
Travel and Meetings	19,461	2,869	(213)	163	289	200	1,748	24,517	695	662	-	1,357	25,874
Printing and Duplicating	-	-	7,637	-	85,204	263,439	245	356,525	148,743	3,767	-	152,510	509,035
Occupancy	-	-	-	-	-	-	-	-	-	695,503	-	695,503	695,503
Depreciation	-	-	-	-	11,079	-	-	11,079	-	190,743	-	190,743	201,822
Insurance	-	-	-	-	-	-	-	-	-	8,917	24,355	33,272	33,272
IT and Connectivity	1,000	-	-	-	6,265	9,886	1,675	18,826	14,400	236,450	2	250,852	269,678
Postage and Shipping	-	-	137	-	63,388	277,807	166	341,498	108,645	2,687	220	111,552	453,050
General Supplies	-	114	16	78	143	-	-	351	213	21,939	-	22,152	22,503
Dues, Publications, and Subscriptions	4,918	13,600	2,656	759	160,978	50	350	183,311	5,665	6,460	7,188	19,313	202,624
Small Grants, Contributions	45,850	16,759	15,450	73,050	529,050	-	10,625	690,784	1,000	-	-	1,000	691,784
Miscellaneous	12,000	-	125	15	120	-	-	12,260	221,351	71,563	26,794	319,708	331,968
Overheads Applied	260,734	227,433	403,077	187,260	396,860	71,813	115,535	1,662,712	239,570	(2,070,667)	168,385	(1,662,712)	-
<b>Total Expenses</b>	<b>\$ 1,200,481</b>	<b>\$ 1,126,165</b>	<b>\$ 1,639,010</b>	<b>\$ 877,207</b>	<b>\$ 3,626,739</b>	<b>\$ 979,773</b>	<b>\$ 461,338</b>	<b>\$ 9,910,713</b>	<b>\$ 1,691,913</b>	<b>\$ -</b>	<b>\$ 693,079</b>	<b>\$ 2,384,992</b>	<b>\$ 12,295,705</b>

See accompanying Notes to Financial Statements.

**FRIENDS OF THE EARTH  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020**

	Program Expenses							Supporting Services				Total Expenses	
	Economic Policy	Climate and Energy	Food and Technology	Oceans and Vessels	Outreach, Communications, DEI, and NC Restricted	Membership	Organizing	Total	Fundraising	Overheads	Management and General		Total
Salaries	\$ 483,938	\$ 326,081	\$ 642,985	\$ 315,815	\$ 827,065	\$ 109,563	\$ 109,923	\$ 2,815,370	\$ 416,628	\$ 283,484	\$ 399,020	\$ 1,099,132	\$ 3,914,502
Payroll Taxes and Fringe Benefits	131,478	88,987	173,778	85,564	239,471	29,890	29,792	778,960	113,291	89,245	110,042	312,578	1,091,538
Professional Fees	72,197	404,436	159,522	87,550	373,920	98,721	80,125	1,276,471	73,707	242,973	41,408	358,088	1,634,559
Advertising and Media	3,028	499	391	-	5,078	19	25	9,040	10	64	-	74	9,114
Research, Data, Lists	6,200	-	-	-	942,493	97,678	-	1,046,371	113,349	-	-	113,349	1,159,720
Web Services	-	132	2,383	13	50,797	7,082	2,222	62,629	70,378	13,931	329	84,638	147,267
Professional Development	50	2,328	2,100	-	2,283	-	-	6,761	1,165	1,266	-	2,431	9,192
Travel and Meetings	25,305	15,793	40,689	21,867	34,795	6,079	10,341	154,869	11,513	35,636	21,312	68,461	223,330
Printing and Duplicating	1,394	45	358	736	203,322	129,545	501	335,901	96,801	5,367	-	102,168	438,069
Occupancy	-	7,287	-	-	7,275	-	-	14,562	-	720,560	-	720,560	735,122
Depreciation	-	-	-	-	13,221	-	-	13,221	-	188,893	-	188,893	202,114
Insurance	-	-	-	-	-	-	-	-	-	6,255	23,060	29,315	29,315
IT and Connectivity	-	9	-	-	4,601	5,466	5,434	15,510	10,927	226,008	4,712	241,647	257,157
Postage and Shipping	129	307	123	142	218,652	126,245	205	345,803	87,782	3,096	1,066	91,944	437,747
General Supplies	-	57	1,627	-	906	139	425	3,154	419	16,534	-	16,953	20,107
Dues, Publications, and Subscriptions	2,057	3,000	1,799	704	166,684	12,540	25	186,809	8,701	10,498	8,667	27,866	214,675
Small Grants, Contributions	24,287	11,000	10,550	42,500	362,630	-	10,700	461,667	70	-	-	70	461,737
Miscellaneous	401	67	298	(390)	61,610	9	44	62,039	157,354	13,560	29,055	199,969	262,008
Overheads Applied	240,799	163,170	336,941	154,464	464,181	58,198	55,366	1,473,119	208,622	(1,857,370)	175,629	(1,473,119)	-
<b>Total Expenses</b>	<b>\$ 991,263</b>	<b>\$ 1,023,198</b>	<b>\$ 1,373,544</b>	<b>\$ 708,965</b>	<b>\$ 3,978,984</b>	<b>\$ 681,174</b>	<b>\$ 305,128</b>	<b>\$ 9,062,256</b>	<b>\$ 1,370,717</b>	<b>\$ -</b>	<b>\$ 814,300</b>	<b>\$ 2,185,017</b>	<b>\$ 11,247,273</b>

See accompanying Notes to Financial Statements.

**FRIENDS OF THE EARTH  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 5,650,248	\$ 909,348
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	201,822	202,114
Realized and Unrealized Gain	(1,378,812)	(194,477)
Donated Securities	(489,970)	(155,543)
PPP Loan Forgiveness	(1,162,500)	-
Changes in Assets and Liabilities:		
Grants and Contributions Receivable	(1,227,942)	153,872
Accounts Receivable	14,388	69,967
Prepaid Expenses and Other Assets	77,070	(69,645)
Deposits	(792)	1,000
Accounts Payable and Accrued Expenses	125,300	86,992
Accrued Leave	45,814	50,125
Due to/from Friends of the Earth (Action), Inc.	342,604	(325,040)
Charitable Gift Annuity Liability	55,918	(8,096)
Deferred Rent/Leasehold Improvement Allowance	(116,662)	(69,689)
Net Cash Provided by Operating Activities	2,136,486	650,928
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sales of Investments	4,205,638	464,806
Purchases of Investments	(2,548,742)	(445,540)
Purchases of Fixed Assets	(41,194)	(32,263)
Net Cash Provided (Used) by Investing Activities	1,615,702	(12,997)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds Received from Loan	100,000	-
Proceeds Received Under PPP Loan	-	1,162,500
Net Cash Provided by Financing Activities	100,000	1,162,500
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	3,852,188	1,800,431
Cash and Cash Equivalents - Beginning of Year	6,878,325	5,077,894
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 10,730,513	\$ 6,878,325

See accompanying Notes to Financial Statements.