

**FRIENDS OF THE EARTH (ACTION), INC. AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Friends of the Earth (Action), Inc. and Affiliate  
Washington, DC

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Friends of the Earth (Action), Inc. and Affiliate (collectively referred to as the Organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 (Action), Inc. and Affiliate

**Opinion**

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

**Report on Consolidating Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and the consolidating statement of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, 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 consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Arlington, Virginia  
March 18, 2022

**FRIENDS OF THE EARTH (ACTION), INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 833,492	\$ 1,339,273
Accounts Receivable	5,018	1,051
Prepaid Expenses	2,517	1,329
Total Current Assets	841,027	1,341,653
Total Assets	\$ 841,027	\$ 1,341,653
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 11,080	\$ 65,754
Due to Friends of the Earth	12,204	354,808
Total Current Liabilities	23,284	420,562
<b>NET ASSETS</b>		
Without Donor Restrictions	311,901	622,933
With Donor Restrictions	505,842	298,158
Total Net Assets	817,743	921,091
Total Liabilities and Net Assets	\$ 841,027	\$ 1,341,653

See accompanying Notes to Consolidated Financial Statements.

**FRIENDS OF THE EARTH (ACTION), INC. AND AFFILIATE  
CONSOLIDATED 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 and Contributions	\$ 862,656	\$ 300,000	\$ 1,162,656	\$ 539,745	\$ 350,000	\$ 889,745
Canvassing	33,532	-	33,532	39,729	-	39,729
Other Income	-	-	-	12	-	12
Net Assets Released from Restrictions	92,316	(92,316)	-	109,871	(109,871)	-
Total Revenue	<u>988,504</u>	<u>207,684</u>	<u>1,196,188</u>	<u>689,357</u>	<u>240,129</u>	<u>929,486</u>
<b>EXPENSES</b>						
Program Expenses:						
Outreach and Communication	755,093	-	755,093	452,716	-	452,716
Membership	200,480	-	200,480	42,790	-	42,790
Economic Policy and Other	69,845	-	69,845	72,835	-	72,835
Organizing	39,295	-	39,295	204,535	-	204,535
Total Program Expenses	<u>1,064,713</u>	<u>-</u>	<u>1,064,713</u>	<u>772,876</u>	<u>-</u>	<u>772,876</u>
Supporting Expenses:						
Fundraising	174,047	-	174,047	107,006	-	107,006
Management and General and Overhead	60,776	-	60,776	84,521	-	84,521
Total Supporting Expenses	<u>234,823</u>	<u>-</u>	<u>234,823</u>	<u>191,527</u>	<u>-</u>	<u>191,527</u>
Total Expenses	<u>1,299,536</u>	<u>-</u>	<u>1,299,536</u>	<u>964,403</u>	<u>-</u>	<u>964,403</u>
<b>CHANGE IN NET ASSETS</b>	(311,032)	207,684	(103,348)	(275,046)	240,129	(34,917)
Net Assets - Beginning of Year	<u>622,933</u>	<u>298,158</u>	<u>921,091</u>	<u>897,979</u>	<u>58,029</u>	<u>956,008</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 311,901</u>	<u>\$ 505,842</u>	<u>\$ 817,743</u>	<u>\$ 622,933</u>	<u>\$ 298,158</u>	<u>\$ 921,091</u>

See accompanying Notes to Consolidated Financial Statements.

**FRIENDS OF THE EARTH (ACTION), INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021**

	Program Expenses					Supporting Services				
	Outreach, Communications, NC Restricted		Economic Policy and Other			Fundraising	Overheads	Management and General		Total
	Membership	Other	Organizing	Total	Total			Total		
Salaries	\$ 270,925	\$ 104,546	\$ 33,650	\$ 18,055	\$ 427,176	\$ 35,391	\$ 40,253	\$ 31,868	\$ 107,512	\$ 534,688
Small Grants, Contributions	180,989	10,625	-	-	191,614	-	-	-	-	191,614
Payroll Taxes and Fringe Benefits	73,591	28,092	9,316	5,021	116,020	9,909	11,215	8,734	29,858	145,878
Professional Fees	13,846	6,156	12,733	1,125	33,860	30,813	36,507	4,998	72,318	106,178
Occupancy	-	-	-	-	-	-	89,504	-	89,504	89,504
Web Services	58,086	-	-	4,359	62,445	13,211	-	-	13,211	75,656
Miscellaneous	-	-	-	-	-	50,245	-	4,785	55,030	55,030
Advertising and Media	39,398	-	-	-	39,398	-	-	-	-	39,398
IT and Connectivity	-	6,988	-	-	6,988	-	30,173	-	30,173	37,161
Research, Data, Lists	760	-	-	2,636	3,396	19,136	-	-	19,136	22,532
General Supplies	-	-	-	-	-	-	1,417	-	1,417	1,417
Printing and Duplicating	104	245	-	-	349	-	-	-	-	349
Postage and Shipping	83	-	-	-	83	22	-	26	48	131
Overheads Applied	117,311	43,828	14,146	8,099	183,384	15,320	(209,069)	10,365	(183,384)	-
<b>Total Expenses</b>	<b>\$ 755,093</b>	<b>\$ 200,480</b>	<b>\$ 69,845</b>	<b>\$ 39,295</b>	<b>\$ 1,064,713</b>	<b>\$ 174,047</b>	<b>\$ -</b>	<b>\$ 60,776</b>	<b>\$ 234,823</b>	<b>\$ 1,299,536</b>

See accompanying Notes to Consolidated Financial Statements.

**FRIENDS OF THE EARTH (ACTION), INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020**

	Program Expenses					Supporting Services					
	Outreach, Communications, NC Restricted		Economic Policy and Other		Organizing	Total	Fundraising	Overheads	Management and General	Total	Total
	Membership										
Salaries	\$ 185,281	\$ 14,538	\$ 24,312	\$ 74,602	\$ 298,733	\$ 30,277	\$ 19,404	\$ 40,367	\$ 90,048	\$ 388,781	
Professional Fees	30,844	1,272	2,166	72,390	106,672	2,938	24,438	12,616	39,992	146,664	
Payroll Taxes and Fringe Benefits	50,424	3,942	6,382	20,208	80,956	8,186	5,218	11,195	24,599	105,555	
Web Services	47,805	12,995	2,324	-	63,124	24,028	-	-	24,028	87,152	
Occupancy	-	-	-	-	-	-	70,056	-	70,056	70,056	
Small Grants, Contributions	50,000	-	-	1,500	51,500	-	-	-	-	51,500	
Miscellaneous	-	-	-	90	90	25,492	-	3,974	29,466	29,556	
Research, Data, Lists	1,800	3,780	17,595	-	23,175	3,781	-	-	3,781	26,956	
IT and Connectivity	2,196	197	-	-	2,393	275	21,945	-	22,220	24,613	
Travel and Meetings	5,065	-	114	6,185	11,364	-	1,857	1,829	3,686	15,050	
Advertising and Media	1,747	-	10,493	-	12,240	-	-	-	-	12,240	
General Supplies	2,563	-	-	347	2,910	-	2,706	-	2,706	5,616	
Printing and Duplicating	24	-	-	441	465	-	-	-	-	465	
Postage and Shipping	-	-	-	13	13	2	43	141	186	199	
Overheads Applied	74,967	6,066	9,449	28,759	119,241	12,027	(145,667)	14,399	(119,241)	-	
<b>Total Expenses</b>	<b>\$ 452,716</b>	<b>\$ 42,790</b>	<b>\$ 72,835</b>	<b>\$ 204,535</b>	<b>\$ 772,876</b>	<b>\$ 107,006</b>	<b>\$ -</b>	<b>\$ 84,521</b>	<b>\$ 191,527</b>	<b>\$ 964,403</b>	

See accompanying Notes to Consolidated Financial Statements.

**FRIENDS OF THE EARTH (ACTION), INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (103,348)	\$ (34,917)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Changes in Assets and Liabilities:		
Accounts Receivable	(3,967)	5,485
Prepaid Expenses	(1,188)	891
Due to/from Friends of the Earth	(342,604)	325,040
Accounts Payable and Accrued Expenses	(54,674)	59,110
Net Cash Provided (Used) by Operating Activities	(505,781)	355,609
<b>NET CHANGE IN CASH</b>	(505,781)	355,609
Cash - Beginning of Year	1,339,273	983,664
<b>CASH - END OF YEAR</b>	\$ 833,492	\$ 1,339,273

*See accompanying Notes to Consolidated Financial Statements.*



**FRIENDS OF THE EARTH (ACTION), INC. AND AFFILIATE  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
YEAR ENDED JUNE 30, 2021  
(WITH COMPARATIVE CONSOLIDATED TOTALS AS OF JUNE 30, 2020)  
(SEE INDEPENDENT AUDITORS' REPORT)**

	FOE (Action)	FOE PAC	Elimination	2021 Consolidated	2020 Consolidated
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 812,155	\$ 21,337	\$ -	\$ 833,492	\$ 1,339,273
Accounts Receivable	5,018	-	-	5,018	1,051
Prepaid Expenses	2,470	47	-	2,517	1,329
Total Current Assets	819,643	21,384	-	841,027	1,341,653
<b>NONCURRENT ASSET</b>					
Due from Friends of the Earth, Inc.	-	8,646	(8,646)	-	-
Total Assets	\$ 819,643	\$ 30,030	\$ (8,646)	\$ 841,027	\$ 1,341,653
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable and Accrued Expenses	\$ 11,080	\$ -	\$ -	\$ 11,080	\$ 65,754
<b>OTHER LIABILITIES</b>					
Due to Friends of the Earth, Inc.	20,850	-	(8,646)	12,204	354,808
Total Liabilities	31,930	-	(8,646)	23,284	420,562
<b>NET ASSETS</b>					
Without Donor Restrictions	281,871	30,030	-	311,901	622,933
With Donor Restrictions	505,842	-	-	505,842	298,158
Total Net Assets	787,713	30,030	-	817,743	921,091
Total Liabilities and Net Assets	\$ 819,643	\$ 30,030	\$ (8,646)	\$ 841,027	\$ 1,341,653

**FRIENDS OF THE EARTH (ACTION), INC. AND AFFILIATE  
CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021  
(WITH COMPARATIVE CONSOLIDATED TOTALS AS OF JUNE 30, 2020)  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Friends of the Earth (Action), Inc.			FOE Political Action Committee	2021	2020
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Consolidated Total	Consolidated Total
<b>REVENUE</b>						
Grants and Contributions	\$ 857,656	\$ 300,000	\$ 1,157,656	\$ 5,000	\$ 1,162,656	\$ 889,745
Canvassing	33,532	-	33,532	-	33,532	39,729
Other Income	-	-	-	-	-	12
Net Assets Released from Restrictions	92,316	(92,316)	-	-	-	-
Total Revenue	983,504	207,684	1,191,188	5,000	1,196,188	929,486
<b>EXPENSES</b>						
Program Expenses:						
Outreach and Communications	755,093	-	755,093	-	755,093	452,716
Membership	200,480	-	200,480	-	200,480	42,790
Economic Policy and Other	69,845	-	69,845	-	69,845	72,835
Organizing	39,295	-	39,295	-	39,295	204,535
Total Program Expenses	1,064,713	-	1,064,713	-	1,064,713	772,876
Supporting Expenses:						
Fundraising	174,047	-	174,047	-	174,047	107,006
Management and General	60,776	-	60,776	-	60,776	84,521
Total Supporting Expenses	234,823	-	234,823	-	234,823	191,527
Total Expenses	1,299,536	-	1,299,536	-	1,299,536	964,403
<b>CHANGE IN NET ASSETS</b>	(316,032)	207,684	(108,348)	5,000	(103,348)	(34,917)
Net Assets - Beginning of Year	597,903	298,158	896,061	25,030	921,091	956,008
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 281,871</u>	<u>\$ 505,842</u>	<u>\$ 787,713</u>	<u>\$ 30,030</u>	<u>\$ 817,743</u>	<u>\$ 921,091</u>