2002 ANNUAL REPORT
Our 2003 Board and Staff

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Brian Dunkiel
Bill Freese
John W. Jensen
Dorothee Krahn

Kevin Richardson, from the band Backstreet Boys, teamed with Friends of the Earth’s Kristen Sykes and Sara Zdeb to lobby Congress to stop destructive mountaintop coal removal.
The Orwellian age of disinformation is upon us in full force when it comes to the environment. President Bush trumpets his “Clear Skies” and “Healthy Forests” initiatives, which will dirty the air and decimate forests.

Thanks to your support and to allies ranging from religious to taxpayer groups, Friends of the Earth is standing up to the greatest onslaught on environmental laws by any president ever, and pushing back against bad ideas from Dubuque to Kazakhstan.

We helped block the multi-billion dollar Bush energy plan, which the House Republican leadership kept loaded with huge new subsidies for their campaign contributors in the coal, oil, gas and nuclear industries.

Friends of the Earth also caught Bush appointee Steven Griles, the number two person at the Interior Department, violating ethics agreements as he sought to favor his former clients with billions of dollars worth of gas leases on public lands.

We convinced Congress to halve funding for the insurance arm of the World Bank that underwrites environmentally damaging oil and gas projects abroad.

And to keep other people’s prescription medicine out of our breakfast cereal, Friends of the Earth produced a groundbreaking report about the shocking practice of genetically engineering crops to contain pharmaceutical drugs and chemicals. Following a contamination incident that we predicted, the government is finally tightening regulations on this activity.

These are just the key highlights of our accomplishments in fighting environmentally damaging boondoggles everywhere from your breakfast table to remote lands.

In 2003, you can count on Friends of the Earth and our 70-country worldwide network to stand up to the Bush administration, our opponents in Congress and their corporate contributors. We’re pressing an innovative lawsuit on climate change, spearheading a campaign to prevent environmental causes of cancer and fending off yet another big tax break for gas-guzzling and tax-evading SUVs.

Thanks once again for your strong partnership in protecting the planet during these very difficult times.

Ann Hoffman, Board Chair

Brent Blackwelder, President

Norman L. Dean, Executive Director
Beating Back Bush’s Dirty Tricks

This past year, the Bush administration appointed anti-environmental friends of industry to high-level administrative positions and paid back their corporate contributors with taxpayer money. The Economics for the Earth Program aggressively fights to ensure that the pursuit of dollars and corporate favors do not result in the destruction of farms, forests and open spaces.

The Year of Energy: Bush’s Dirty Energy Bill Blocked

This year, Friends of the Earth and the environmental community scored a major victory by effectively blocking President Bush’s energy bill. The Economics for the Earth team led the environmental community’s response to the more than $38 billion in new and expanded tax breaks and subsidies to oil, coal, gas and nuclear power companies.

Our work on the energy bill, punctuated by the widely released Green Scissors report Running on Empty: How Environmentally Harmful Subsidies Siphon Billions from Taxpayers, carved out Friends of the Earth’s niche as the environmental community’s leader on identifying environmentally harmful energy subsidies.

Friends of the Earth, with a coalition of environmental and sustainable energy groups, also successfully pushed Congress to reauthorize the renewable energy tax credit that expired in the winter of 2001. Many in the renewable industry feel that this tax credit is the most important government action to help promote renewable energy.

Our work was partially successful when President Bush signed the Economic Security and Recovery Act of 2001 into law. This Act contained a two-year extension of the renewable energy tax credit.

President Bush: Polluter in Chief

To drive home the many ways that President Bush is giving his corporate contributors what they paid for, we created a Bush at Midterm chronology listing his administration’s assaults on the environment since his inauguration. Month by month, it tallies how his political appointees, at the very agencies set up to protect the environment, are making it easy for corporations to pollute and abuse the planet.

Sen. Hilary Clinton (D-N.Y.) unfolded the chronology at a meeting with 17 senators and said, “This Friends of the Earth material is what all senators should be carrying around.” At a press conference that followed the meeting, Sen. Clinton once again, in front of all the cameras, held up the chronology.

A Government Program That Kills Wildlife

Our Green Scissors Campaign, which works to eliminate fiscally wasteful and environmentally harmful federal spending,
this year targeted the Wildlife Services Program operated by the U.S. Department of Agriculture.

The bulk of Wildlife Services’ budget is earmarked for its “livestock protection” program, aimed at capturing and killing animals like coyotes, foxes, bears and bobcats that can prey upon domestic sheep, goats or cattle. The program operates with little oversight and has resisted efforts to reform its methods and strategy.

The benefits of the “livestock protection” program are limited to a small number of ranchers and carry serious environmental liabilities. It relies on lethal control methods that result in the deaths of thousands of species, including rare, threatened and endangered animals.

Once called on for assistance by ranchers, Wildlife Services’ personnel use a variety of wasteful and inhumane methods, routinely killing predators in anticipation of potential losses — not just in response to confirmed damages. In 1998, Wildlife Services spent more than $20 million to kill over 100,000 predators, primarily coyotes.

This year, we placed large ads in several newspapers in California, Florida, Georgia, Indiana and Oklahoma. These ads are unpleasant to look at, but they call attention to a program that indiscriminately slaughters animals.

Turning the Interior Department Inside-Out

Our work grappling with the Bush administration led us to the Department of the Interior, where we have focused our energy on the misdeeds of Deputy Secretary of the Interior J. Steven Griles.

Griles is a former lobbyist for the oil, mining and gas industries. Therefore, he was required to sign ethics statements when he joined the government, which forbade him from working on issues with his former clients.

In May, we caught Griles violating these ethics agreements in a memo he wrote to the Environmental Protection Agency (EPA). Our discovery led to a *Washington Post* story. He attempted to use his power to help his mining pals by pressuring the EPA not to mandate another environmental study for a destructive coal bed methane project.

Then, this past spring we obtained Griles’ calendars, and found that he continued to meet with his former clients and employers — 50 times. In fact, Griles met with one of his former employers, the lobby firm National Environmental Strategies (NES), on numerous occasions. NES provides strategic advice, guidance and advocacy to companies, including Arch Coal, Chevron and the National Mining Association. Currently, NES is paying Griles $284,000 for the next four years to purchase his client base.

Armed with this information, we took our story to *The Washington Post*, which ran a front-page story. Other papers followed with editorials supporting our position.

“‘It’s not surprising that (Deputy Secretary of the Interior) Griles is up to his old tricks, looking out for his pals in the mining industry,’” said Kristen Sykes, an Interior Department watchdog for Friends of the Earth. “That’s what happens when you hire the fox to guard the hen house.”

— Inside Energy, May 27, 2002
Despite the biotech industry paying billions of dollars for its reckless behavior, it continues to threaten our food supply with untested genetically engineered food not approved for human consumption. The Community, Health and Environment Program stayed one step ahead of the industry to avert major threats to our health and environment.

Genetically Engineered StarLink Corn Banned

In the summer of 2001, Friends of the Earth brought two people who suffered severe unexplained allergic reactions after eating corn products to testify before an Environmental Protection Agency Scientific Advisory Panel convened to determine the fate of StarLink corn.

The corn was banned from planting after Friends of the Earth discovered it in taco shells the previous year, but the agency was hearing an appeal by the developer to allow some level to remain in the food supply for four years. After hearing compelling testimony, the panel decided in July 2001 not to approve any level of StarLink for human consumption.

The biotech and grain handling industries have spent approximately $1 billion so far to ensure that no StarLink makes it to your dinner table.

The food industry is now being more cautious as it did not bring one new engineered crop species to the marketplace in 2001, despite industry plans to commercialize engineered sugar beets, wheat and rice.

Biopharmaceutical Corn Limited — by Its Own Developers

A few maverick biotech companies are engineering a new class of crops with substances that will never be approved for direct human consumption. Their hope is to create a cheaper way to produce pharmaceutical drugs and industrial chemicals. Besides threatening our health, the crops might prove harmful to deer and birds that eat grains from farm fields.

In October 2002, the biotech industry announced that it would no longer grow experimental plots of corn engineered with industrial chemicals or prescription drugs. It was spurred by a media groundswell generated by Friends of the Earth's June 2002 report entitled, Manufacturing Drugs and Chemicals in Crops.

The report documents the U.S. Department of Agriculture (USDA) violation of its own guidelines to prevent contamination, and biotech companies attempt to weaken government regulations. All of this while the National Academy of Sciences, among other credible sources, issued warnings that contamination is inevitable. According to National Food Processors Association Vice President Dr. Rhona Applebaum, “We’re still living under the problems created by StarLink.”

Frightened by the prospect of another massive food recall or harm to consumers due to inadvertent exposure, the food processing industry — including Kraft Foods
and General Mills — has taken up the banner of concern and pressured the biotech industry to pledge not to use food crops for “biopharming” at all.

Unfortunately, the biotech industry relaxed its “no-plant” policy in November when the USDA announced it would toughen regulations over planting of these crops.

**Your Choice for Safer Food Protected**

Friends of the Earth kicked off a new campaign with our Genetically Engineered Food Alert coalition partners. We are challenging Kraft Foods, the largest food company in the United States, to stop using genetically engineered ingredients.

We coordinated DNA testing of Kraft Foods that showed genetically engineered ingredients in numerous Kraft brands including Taco Bell taco shells, Boca Burgers and Snackwell’s crackers.

In February, we organized local groups and individuals in over 170 cities in public demonstrations for safer food. The action generated hundreds of stories at the local level and articles in *The Wall Street Journal* and *The Chicago Tribune*. This was followed by demonstrations in more than 200 cities and at Kraft’s shareholder meeting in April. Today, Kraft appears to be taking action to remove or reduce the use of genetically engineered corn in its products and to avoid other engineered ingredients.

**SUCCESS STORY**

**From Supportive Intern to Campus Powerhouse**

Friends of the Earth is not only one of the country’s most cutting edge environmental organizations, its internship and fellowship program is also a training ground for future environmental leaders like Lisette Singer.

This Oakland, Calif. native and senior in Environment, Economics and Politics at Scripps College in California, served two consecutive summers as an intern with Friends of the Earth. During her first summer, she played an important supporting role in our discovery of an unapproved variety of genetically engineered corn, StarLink.

“Friends of the Earth is relatively small but the impact that we have is amazing. It was a truly supportive, inspiring environment to be working in,” said Singer.

Singer took her experiences at Friends of the Earth and translated them into action, winning the office of co-president of the Claremont Colleges’ first Environmental Review Committee.

She now serves as the student coordinator of the Kraft Safer Food Campaign and the regional coordinator for the national student environmental organization *Free the Planet!*

“I’ve always been passionate about the environment, but my time at Friends of the Earth was key to my future career in the environmental movement,” said Singer.
The United States gives away “free public money” to U.S. corporations for projects overseas, resulting in human rights violations and the destruction of pristine wilderness. The International Program explores innovative tactics and forms diverse coalitions to confront those who seek to exploit the Earth, rather than protect it.

The World Bank: Lending Money to the Rich

In July 2001, Friends of the Earth released a report entitled, Risky Business, which focused on the World Bank’s insurance arm, the Multilateral Investment Guarantee Agency (MIGA). MIGA is a little-known agency funded by the United States that has guaranteed a host of absurd projects, such as off-shore oil platforms and cyanide-based gold mines. MIGA’s activities include guarantees to Coca-Cola bottling plants, a yacht club in Albania and a five-star luxury spa in Senegal.

The report galvanized a debate about MIGA’s contribution to the World Bank’s mission to promote sustainable development and poverty alleviation. It led to the U.S. Congress cutting the United States’ contribution to this agency by 50 percent.

In the spring of 2002, MIGA considered insuring the Bujagali Dam in Uganda. This dam would have destroyed the Bujagali Falls on the Nile River, jeopardizing a burgeoning ecotourism industry, displacing thousands of people and potentially affecting rare species. Plans for the dam were also plagued by secret agreements and allegations of corruption. We highlighted these issues with Bank board members, working with our partners like the International Rivers Network.

Our campaign efforts to reform the Overseas Private Investment Corporation (OPIC) resulted in this agency declining support for the Bujagali Dam. Due to pressure from Friends of the Earth and others, OPIC enforced its prohibition on U.S. taxpayer support for destructive large dams. OPIC has also pledged to implement the guidelines of the World Commission on Dams in its future lending decisions.

Investigating Damaging Projects Overseas

Friends of the Earth went on a fact-finding mission to Tanzania to investigate allegations that a Canadian mining company, Sutton Resources, bulldozed over mining pits and buried alive 52 miners. Additionally, in August 1996, Tanzanian authorities forcibly evicted tens of thousands of miners to make way for Sutton Resources.

We worked with these communities to initiate an investigation by a World Bank policy compliance unit. The unit concluded MIGA failed to conduct extensive due diligence in the area before agreeing to participate in the mining project.

We also participated in another fact-finding mission to Azerbaijan and Georgia to investigate the proposed Baku-Tbilisi-Ceyhan oil pipeline. This $3 billion pipeline will transport crude oil over 1,000 miles from the Caspian Sea through Azerbaijan, Georgia and Turkey for export to the United States and Europe. The Bush administration is touting the Caspian Sea as a new source of oil for U.S. markets and a way to increase energy security post September 11th. But development has to be done correctly in this very sensitive region – where government corruption often comes before human welfare.

John Browne, the head of the lead sponsor, British Petroleum, said that “free public money” from the international financial institutions was needed to make this project possible. If Browne’s assessment
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Although communities along a 1,000-mile pipeline in the Casian Sea Region are in desperate need of energy supplies, the project will not provide any oil to them.

is accurate, taxpayer monies are being used to make a questionable, high-risk project financially viable.

U.S. Sued for Causing Global Climate Change

We’re pressing one of the most important lawsuits in our 33-year history against the Overseas Private Investment Corporation and the U.S. Export-Import Bank. Friends of the Earth charges that these U.S. agencies failed to account for the impacts of climate change when they financed fossil fuel projects, a violation of their obligations under the National Environmental Policy Act. The City of Boulder, Colo., and the City of Oakland, Calif., are joining us in this first ever climate change lawsuit brought against the U.S. government.

As the lawsuit proceeds, we are campaigning against more environmentally destructive projects heading for approval, such as the Camisea natural gas project in Peru. Friends of the Earth and Amazon Watch, commissioned an independent analysis, which found that the project would have “irreversible” impacts on the biodiversity of this area and on the indigenous groups. Yet, the U.S. Export-Import Bank has indicated that the National Environmental Policy Act is not applicable to this project.

SUCCESS STORY

Blocking Loans to Environmentally and Socially Harmful Projects Abroad

The Washington Post broke a series of stories prompted by Friends of the Earth’s findings that bankrupt Enron received $2.4 billion for several failed power ventures around the globe, including the illegal Cuiaba pipeline in Bolivia. The pipeline would cut through the world’s largest remaining tract of primary tropical dry forest, violating the rules of OPIC. As a result OPIC cancelled all loans to Enron, and the U.S. Justice Department is currently investigating all loans made by OPIC.

We also worked with Romanian activists fighting what would be Europe’s largest surface goldmine — the Rosia Montana Gold Mine project. Friends of the Earth International brought the activists to Washington, D.C., to ask World Bank President James Wolfensohn to stop funding the controversial project. Just days later the Bank announced it would not support the project. According to a Bank source, Wolfensohn personally pulled the plug on the project after speaking with the activists and reviewing the project.

As we bring ongoing problems with large extractive and infrastructure projects to light, government-funded agencies are beginning to heed our call to set up oversight processes that shift their portfolios away from destruction. For instance, the U.S. Congress forced the U.S. Export-Import Bank to set up a Renewable Energy Advisory Committee comprised of representatives from solar and wind industries and non-governmental organizations.

What we have going on here are the most powerful corporations in the world, and they are carrying out activities around the world that are destroying forests, polluting the oceans, ruining land, poisoning people. They have got to change. They have got to start abiding by rules,” said Friends of the Earth President Brent Blackwelder.

— CNN Live Today, Feb. 1, 2002

Romanian activists present World Bank President James Wolfensohn with drawings by Romanian children who would be affected by the Rosia Montana gold mine.
When it comes to Capitol Hill, one word summarizes 2002: gridlock. A Democratic Senate blocked many of the Bush administration’s worst environmental proposals, but was unable to make any forward progress. However, Friends of the Earth made strides despite these difficult circumstances.

Fighting Waste Dumping in Streams

In 2000, Friends of the Earth helped stop a major weakening of the Clean Water Act from moving forward. In early 2002, the Bush administration announced plans to resurrect the rule change, which would allow polluters to dump industrial waste into waterways across the country. This rule change was an attempt to head off a court challenge to the administrations’ approval of mountaintop removal mining permits. In mountaintop mining, coal companies literally blow the tops off mountains, and dump the resulting waste into nearby valleys and streams.

The practice has buried more than 1,000 miles of West Virginia streams and has devastated communities by destroying homes and increasing the risk of flooding. And while the Clean Water Act outlawed these “valley fills,” the federal government routinely approved them anyway.

Rather than comply with the law, the Bush administration issued the rule intended to rewrite it. In May 2002, the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers approved a new regulation that would not only legalize valley fills, but would turn our waterways into dumping grounds for industrial polluters.

Friends of the Earth teamed with members of Congress to generate opposition to the rule, working with a bipartisan group including Reps. Chris Shays (R-Conn.) and Frank Pallone (D-N.J.). We worked to introduce legislation reversing the rule change and encouraged Sens. Jim Jeffords (I-Vt.) and Joe Lieberman (D-Conn.) to hold an oversight hearing in the Environment Committee.

Farm Bill Success

This year Congress debated a bill to extend the nation’s system of farm programs. While the bill increased funding for conservation programs that assist farmers in protecting ecosystems and habitat, these increases were offset by a massive surge in anti-environmental crop subsidies. Worse, for the first time, the bill makes polluting factory farms eligible for federal funding under the Agriculture Department’s conservation programs. Although the bill was an overall disappointment for environmentalists, Friends of the Earth scored two important victories.
While the Agriculture Department has traditionally funded biotechnology research geared toward creating new agricultural products, they have failed to adequately research the risks posed by biotechnology. We worked with Rep. Dennis Kucinich (D-Ohio) and Sen. Barbara Boxer (D-Calif.) to successfully pass language that doubled the amount of money the Agriculture Department spends on biotechnology risk assessment research.

Friends of the Earth also helped remove language from the farm bill that would have jeopardized the 2005 phase-out of methyl bromide, a toxic pesticide. Methyl bromide poses serious risks to farm workers and communities, and exposure to high concentrations of the chemical can damage the central nervous system, respiratory system and eyes. It is also an ozone depleting substance that attacks the Earth’s ozone layer at a rate 50 times that of CFCs.

The Clean Air Act and the Montreal Protocol, an international treaty on ozone, require the United States to phase out use of methyl bromide by 2005. Language in the farm bill passed by the House of Representatives included a loophole allowing the Agriculture Department to undercut these requirements, and even removing EPA oversight. We teamed with environmental groups and members of Congress to revise the harmful language, and the final bill signed into law no longer threatens the elimination of this dangerous pesticide.

Forcing Reform Before Funding for the U.S. Army Corps of Engineers

Friends of the Earth was part of a successful campaign to defeat a bill authorizing new Army Corps of Engineers projects. With other groups in a nationwide “Corps reform” network, we convinced a bipartisan group of House members to block legislation that failed to overhaul the agency’s economic and environmental impacts.

For years, the Corps has doled out taxpayer dollars for wasteful water projects, destroying wetlands and other ecosystems along the way. This year the General Accounting Office and National Academy of Sciences found large errors in the agency’s economic analyses, inadequate consideration of environmental impacts, favoritism for large and expensive projects and frequent failure to perform adequate environmental mitigation for projects.

Working with a coalition of environmental and taxpayer groups, Friends of the Earth used the momentum generated by these studies to gain support for Corps reform in Congress. When the House leadership attempted to pass a bill that authorized new water projects without reforming the agency, we participated in an intensive daylong lobby effort. As a result, the bill was pulled from consideration and the stage set for legislation reforming the Corps.
The D.C. Environmental Network: Greening the U.S. Capital

When the local government tried to make it legal to dump raw sewage into the Anacostia River, the DCEN’s Clean Water Campaign stopped these efforts in their tracks. Our strategy to defeat this plan was simple. We demanded that D.C. Mayor Anthony Williams keep the promise he made March 28, 2001, to “clean up these bodies of water to a point where people can swim and fish in them within our lifetime.” Coordinating over 30 organizations as well as hundreds of volunteers, DCEN’s Clean Water Campaign delivered over 24,000 door hangers to district residences, placed ads in seven local newspapers and generated hundreds of faxes and e-mails to Williams.
When wealthy, anti-environmental interests tried to weaken and stop passage of important D.C. legislation to protect trees, members of our DCEN Re-Tree D.C. Coalition launched an aggressive outreach campaign. DCEN activists went house-to-house giving residents literature and telling them to contact their Council representatives and demand the restoration of substantive protections. These actions forced officials to come to the table and develop a plan to re-tree the district. The re-negotiated legislation will protect larger trees and help reverse the almost 50 percent tree loss the district has experienced in the past three decades.

When wealthy, anti-environmental
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Nebraska and Iowa

Fighting against unregulated biopharmaceutical crops grown in corn fields that can contaminate the food supply.

New York

Fighting for corporate responsibility on Wall Street by monitoring companies that try to hide environmental risks from shareholders.

New England

Pressing a lawsuit with members alarmed about the projected loss of sugar maples due to climate change. Working with state officials and local industry to preserve our fisheries.

Indiana

Opposing the huge Interstate 69 highway project that will destroy wetlands and forests and promote suburban sprawl.

Washington, D.C.

Opposing administration and congressional policies that are anti-environmental and wasteful by producing the Green Scissors report on the federal budget. Stopping the dumping of raw sewage in the Potomac and Anacostia rivers.

West Virginia

Leading the fight against a coal mining technique that rips the tops off of mountains and pollutes waterways.

Virginia

Opposing a road project that threatens historic farms and neighborhoods with pollution and suburban sprawl.

Carolinias

Pressing a climate change lawsuit on behalf of members alarmed about storm surges jeopardizing their coastal property.
## Financial Reports for Fiscal Year 2002

### Your Contributions

#### Protecting the Planet

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### Friends of the Earth

#### Balance Sheets

<table>
<thead>
<tr>
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<th>June 30, 2002</th>
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<td><strong>Total assets</strong></td>
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<td>$1,502,540</td>
<td>$1,972,792</td>
<td>$472,230</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND NET ASSETS**     |              |                   |              |                   |
| **Current liabilities:**           |              |                   |              |                   |
| Accounts payable and accrued expenses | **$187,788** | **$187,788** | **$60,366** | **$60,366** |
| Accrued leave                      | 89,013       | 89,013           | 76,596      | 76,596           |
| Due to Friends of the Earth (Action), Inc. | 28,962 | | 4,262 | 4,262 |
| Due to other fund                  | 73,069       | 73,069           | 49,303      | 49,303           |
| **Total current liabilities**      | 292,749      | 159,020          | 250,489     | 158,410          |
| **Other liabilities:**             |              |                   |              |                   |
| Deferred revenue - pooled income fund | 28,241 | 28,241 | 131,311 | 131,311 |
| Retirement benefit, current portion | 56,993 | 56,993 | 31,825 | 31,825 |
| Deferred lease liability, current portion | 8,748 | 8,748 | 25,391 | 25,391 |
| **Total liabilities**              | 25,474       | 159,020          | 250,489     | 158,410          |
| **Net assets:**                    |              |                   |              |                   |
| Unrestricted                       | 140,724      | 140,724          | 47,443      | 47,443           |
| Temporarily restricted             | 1,246,916    | 1,246,916 | 1,802,524 | 1,802,524 |
| Reserve fund                       | 145,000      | 145,000          | 145,000     | 145,000          |
| Endowment fund                     | 145,000      | 145,000          | 145,000     | 145,000          |
| **Total liabilities and net assets** | $499,214 | $1,502,540 | $1,972,792 | $472,230 | $2,038,796 | $2,442,039 |

* Interfund assets and liabilities have been eliminated

Copies of the complete audited financial statements, from which this information is extracted, are available upon request.
## Friends of the Earth

### Statements of Activities

#### For the Year Ended June 30, 2002

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td><strong>REVENUE:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants, bequests and member contributions</td>
<td>$1,740,083</td>
<td>$1,824,410</td>
<td>$3,564,493</td>
</tr>
<tr>
<td>Investment income</td>
<td>2,205</td>
<td></td>
<td>2,205</td>
</tr>
<tr>
<td>Rental income</td>
<td>23,172</td>
<td></td>
<td>23,172</td>
</tr>
<tr>
<td>Royalties</td>
<td>17,086</td>
<td></td>
<td>17,086</td>
</tr>
<tr>
<td>Retirement benefit</td>
<td>141,412</td>
<td></td>
<td>141,412</td>
</tr>
<tr>
<td>Other</td>
<td>54,940</td>
<td></td>
<td>54,940</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>2,380,018</td>
<td>(2,380,018)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>4,358,916</td>
<td>(555,608)</td>
<td>3,803,308</td>
</tr>
</tbody>
</table>

#### EXPENSES:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td><strong>Program expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economics for the Earth</td>
<td>1,086,895</td>
<td>1,086,895</td>
<td>789,441</td>
</tr>
<tr>
<td>International</td>
<td>815,097</td>
<td>815,097</td>
<td>854,820</td>
</tr>
<tr>
<td>Community Health &amp; Environment</td>
<td>668,447</td>
<td>668,447</td>
<td>529,373</td>
</tr>
<tr>
<td>Outreach</td>
<td>771,423</td>
<td>771,423</td>
<td>870,704</td>
</tr>
<tr>
<td>Membership</td>
<td>124,609</td>
<td>124,609</td>
<td>85,736</td>
</tr>
<tr>
<td><strong>Total program expenses</strong></td>
<td>3,466,471</td>
<td>3,466,471</td>
<td>3,130,074</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td><strong>Supporting expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>358,708</td>
<td>358,708</td>
<td>411,897</td>
</tr>
<tr>
<td>Fundraising</td>
<td>440,456</td>
<td>440,456</td>
<td>397,163</td>
</tr>
<tr>
<td><strong>Total supporting expenses</strong></td>
<td>799,164</td>
<td>799,164</td>
<td>809,060</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>4,265,635</td>
<td>4,265,635</td>
<td>3,939,134</td>
</tr>
</tbody>
</table>

| Change in net assets | 93,281 | (555,608) | (462,327) | 22,393 | 429,976 | 452,369 |

| Net assets, beginning of year | 47,443 | 2,000,945 | 2,048,388 | 25,050 | 1,570,969 | 1,596,019 |

| Net assets, end of year | $140,724 | $1,445,337 | $1,586,061 | $47,443 | $2,000,945 | $2,048,388 |

### Expenses

- Management & General: 8%
- Membership: 4%
- Fundraising: 10%
- Programs: 82%

### Programs

- Outreach: 22%
- Community, Health and Environment: 19%
- Economics for the Earth: 31%
- International: 24%

### Revenues

- Memberships/Gifts: 32%
- Foundations: 62%
- Other: 6%
Friends of the Earth thanks our supporters, including both those who could not be listed due to space constraints and those who chose to remain anonymous.

### Fiscal Year 2002
**July 1, 2001 - June 30, 2002**

#### $250,000 and more
- Bunny and Dan Gabel
- Charles Stewart Mott Foundation
- 1 Anonymous

#### $100,000 - $249,999
- The Educational Foundation of America
- Avis Ogilvy Moore
- Public Welfare Foundation
- Turner Foundation Inc.
- 1 Anonymous

#### $50,000 - $99,999
- Center for Public Interest Research, Inc.
- CS Fund
- Rockefeller Financial Associates
- Save Our Wild Salmon Coalition
- Scherman Foundation
- The Summit Fund of Washington
- Working Assets Fund

#### $25,000 - $49,999
- Bullit Foundation
- Changing Horizons Fund of The Tides Foundation
- Foundation Open Society Institute
- Richard & Rhoda Goldman Fund
- W. Alton Jones Foundation
- Merck Family Fund
- Alida R. Messinger Charitable Lead Trust
- The Moriah Fund
- Orchard Foundation
- Rockefeller Family Fund
- Raisa A. Scribner and Robert B. Wallace*
- Fred and Alice Stanback
- Wallace Global Fund
- 1 Anonymous

#### $10,000 - $24,999
- Brownstoning Foundation
- Morris & Gwendolyn Cafritz Foundation
- Carolyn Foundation
- Charles Chapin
- Compton Foundation
- Compton Foundation Family Advisory Board
- Harriett Crosby
- The Fairview Foundation
- Foundation for Deep Ecology
- Homeland Foundation
- Marion and Allan Hunt-Badiner
- The Roy A. Hunt Foundation
- Stephen & Michelle Kirsch Foundation
- Doug Legum
- Lintilhac Foundation
- Mary R. Morgan
- Morningstar Foundation
- Prince Charitable Trusts
- Seventh Generation Fund
- The Threshold Foundation
- TOSA Foundation
- Wiancko Charitable Foundation
- 3 Anonymous

#### $5,000 - $9,999
- Grant D. Abert and Nancy Ward
- Burning Foundation
- David Butler Family Foundation
- Frances Allison Close
- Crosby Family Foundation
- John de Cuevas
- Edwards Mother Earth Foundation
- The Florence Fund
- Groundspring.org
- Michael J. Herz
- Tom and Rampa Hormel
- Patagonia Foundation
- The Philanthropic Collaborative, Inc.
- Prentice Foundation
- Underdog Fund of the Tides Foundation
- 2 Anonymous

#### $1,000 - $4,999
- Appalachian State University
- The Archibald Family Foundation
- Katherine D. Bachman
- Virginia Price Barber
- Ben & Jerry’s
- Mary G. Blackwelder
- Clarita Heath Bright
- Rev. and Mrs. C. Frederick Buechner
- Cadieu Foundation
- Jayni and Chevy Chase
- James M. Cohen
- W. Dunforth Compton
- Ted Danson and Mary Steenburgen
- Earth Friends
- Earthbound Farm
- Kenneth Ellis
- Anne Ellsworth
- Terry Lynn Gilmore
- Global Resource Action Center For The Environment
- Lisa and Douglas Goldman Fund
- Neva R. Goodwin
- Mr. and Mrs. Francis W. Hatch
- Ann Hoffman
- Laura E. Ingham
- Institute for Local Self-Reliance
- Christopher S. Jones

*Deceased*
$1,000 - $4,999 continued

The Keker Family Foundation
Karen Kilimnik
Carla Kleefeld
Z. Drescher Kripe
Helen P. Ladd
Kenneth and Eugenia Lange
Linda and Marc Lawrence Family Trust
Dorothy Le Messurier
Mary A. Litauer
Edith W. MacGuire
Edward F. MacNichol, Jr.
John Marks
George Martin
Patricia and Edwin S. Matthews
Katrina Maxtone-Graham
Mr. and Mrs. Richmond Mayo-Smith
McGrath Investment Foundation
Purple Lady Fund/
Barbara J. Meislin
Gerry H. Milliken
David M. Morrison
Katharine and Kenneth Mountcastle
Walter M. and Helen A. Norton
Sandra Nowicki
The O’Leary/Thiry Family Foundation
Ronald W. Plank
Ms. Gail Raywid
Edwardo Lao Rhodes
Donna Scheuring
Victor Sher
Dr. and Mrs. William Silberberg
Nancy Lynn Squier
Jennifer and Ted Stanley
Elizabeth Steele
Frances W. Stevenson
Ted and Cynthia Story
Tamarind Foundation, Inc.
Clayton M. and Anna May M. Timmons
Triangle Community Foundation
6 Anonymous

$500 - $999

Spencer Adler, Esq.
Molly M. Anderson
Thomas and Sharon Arendshorst
Robert F. Avery
Bank of America Employees
Richard H. Barsanti
Laurie E. Berman
Brion Blackwelder
John S. Brown
Maynard P. and Katherine Z. Buehler Foundation at the East Bay Community Foundation
Joan D. Cox
Ronald and Ellin Delsener
Lynn Diamond
Lydia Edison
Emerald Valley Kitchen, Inc.
Arlene and Joel Epstein
Mr. and Mrs. David E. Evans
Carl H. Feldman
Charton Christopher Frantz
Richard Gilfillan and Carmen Caneda
Mrs. Brandon P. Gove
Lumina Greenway
Carl Haefling
Frank T. Hagelberger
Anya Hankison
William R. Hare
Harrington Investments
Carl and Marian Haussman
June E. Heilman
William Talbot Hilman Foundation
Joshua F. Hudnut
Winston Kile
KMTF Family Fund of Fidelity Investments
The Lederer Foundation
Stuart E. Liebowitz and Mary Cooper
Adam C. McVay
H. T. Mead Foundation

A series of ads aimed at 20-somethings debuted in Rolling Stone, Men’s Journal and US Weekly thanks to pro bono support of Jann Wenner and New York ad agency D’Arcy, Masius, Benton & Bowles. Our ads caught the eye of Creativity magazine, which wrote, “Friends of the Earth is getting hip, with a funky, funny print campaign aimed at the next generation of SUV drivers. The ads direct traffic to the aggressively-URL’d foe.org.”

Kenneth Meislin
Helen H. Mills
W. Lawrence Miner, Jr.
The Mitzvah Foundation
Gary R. Nelson
Andrew P. Panelli
Johnathan Plant
Mark and Lori Reinhardt
Emma Reynolds
Albert S. Richardson, Jr.
Mr. and Mrs. W. Ford Schumann
$500 - $999 continued
Bradley W. Segal
Sue Sherrill
Christopher T. Smith
Cris Smith and Gail Gorlitz
Peter Spiro
Sylvia Stanat
Emily F. Stevens
Serene E. Strippgen
Richard Taketa
Jack Taylor
Tides Foundation
Anna Tilghman
United Way of King County
University of Maryland
College Park
Cristina and Evan Vallianatos
Todd and Laura Zimmerman
7 Anonymous

$250 - $499
20/20 Vision Education Fund
Rosalind S. Abernathy, MD
Henrietta B. Alsdorf
Mr. and Mrs. Richard H. Ault
Herb and Toni Baasch
Mr. and Mrs. Peter B. Benedict
Marcy Benstock
Elodie Bentley
Nancy and John L. Bethune
Biodiversity & Sustainability Fund of Fidelity Investments
Bill and Inna Blackwelder
Edward and Connie Bransilver
J. E. Bridges
Sonya L. Burgher
Dort A. Cameron, III
Sandra D. Cannon
Roderick Cassidy
Sean Caughey
Sarah Bates Clark
Mrs. Robert Cleveenger
William Cox
Anna F. Cunyngham
Paul H. Daube, Jr.
Stanley Domanowski
Theodore Donaldson, Ph.D
Nancy L. Dotlo
Leo and Kay A. Drey
Shirley E. Eaton
Terry M. W. Ehrich
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Harriet Fels
Margaret M. Field
David Friedman
Walter J. Gander, Jr.
Ute D. Gannett
Maxine Gerber and Brendan Doyle
Robert German
Edward J. Gines
Nick Giordano
Alice D. Giovanella
Helen W. Gjessing
Maria Gonzalez
Frances Graham
Bill Gray and Keats Hayden
Swapana K. Gupta
Joan Dye Guissow
Ellen S. Haring
Lynne M. Harkins
Ruth M. Harnar
Mary Hayden
Dorothy G. Hecker
Glenn Heeter
H.I.S. Philanthropic Fund of The Jewish Communal Fund
Alexander A. Hittle
Alan Hoffman, M.D.
Garrett Horder
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Mr. and Mrs. Herbert M. Howe
Lindsay Humpal
Elizabeth A. Johnson
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Louis M. & Sally B. Kaplan Foundation
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Herschel Kwinter
Richard L. Latterell
Dick Lavine
William J. Layton
Eileen and Paul M. Le Fort
Bobbi Lewis
Mr. and Mrs. Don Lichty
Richard L. Lightman
Ruth A. Lockhart
Christopher Lyman
Peter Lyman
D. Luke Magnotto and Susan Harris
David R. Matteson
Gail Matteson
Marilyn McKeown
Janis & Alan Menken Foundation
Guy Merckx
Walter Metz
Marilyn B. Meyers
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Richard Olson
Graham A. Openshaw
Sally Parker
Enid Pence
Michael Perloff and Barbara Meyer
PipeVine, Inc.
Ravenswood Foundation
Carol H. Ray
Hans Ris
Carla Robinowitz
Arlene Rodenbeck and Rick Morgan
Jill and Ron Rohde
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Mary Rower
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Deborah Sawyer and Wayne Martinson
Bernadeen Scholl
B. A. Schreffler
Bequests and Planned Gifts
Virginia Durso
The Estate of Joseph John Evans
The Estate of Winifred Parducci
Roger and Betty Wrigley

Employee Matching Gifts
Adobe
AES NewEnergy - East Region
Aid Association for Lutherans
American Express Foundation
Bank of America
Becton Dickinson
Benjamin Moore & Company
BP Pensioners/Retirees
Chase Manhattan Foundation
Compaq Computer Corporation

Emerson
Enron Foundation
Ericsson
FM Global Foundation
Arthur J. Gallagher Foundation
General Re Corporation
J. Paul Getty Trust
GlaxoWellcome
ING Foundation
Henry Luce Foundation
Merrill Lynch & Company Foundation, Inc.
Microsoft
Newmont Mining Corporation
The William Penn Foundation
Philip Morris Matching Gift Program
Prudential Foundation
Reader’s Digest Foundation
Charles Schwab Corporation
Stilwell Financial, Inc.
Tenet Healthcare Foundation
United Technologies

In-Kind Gifts
Jayni and Chevy Chase
D’Arcy, Masius, Benton & Bowles (now part of Publisis Advertising)
Clarence Ditlow
Bunny and Dan Gabel
JML Design
Patricia and Edwin S. Matthews
Men’s Journal
Rockwood Leadership Program
Doria Steedman
Rolling Stone
US Weekly
Jann Wenner
Nancy and David Weiman

The late Michael Slater often visited the wilderness areas that he championed as an early leader and lifetime supporter of Friends of the Earth.

In Memory of an Environmental Leader: Michael Wylie Slater

The environment lost a strong champion with a big heart when former Friends of the Earth Board President Michael Slater passed away Dec. 8, 2001.

A member of Friends of the Earth since shortly after its founding in 1969, Slater served on our board for many years in the 1980s. He gave generously of his time and financial resources to various key activities, including the Friends of the Earth Action PAC. Slater once sent a small “restricted contribution for the purpose of having a good time and letting off steam.”

Michael Slater shared his passion for protecting the environment with his wife of 34 years, Teri, who works tirelessly as a preservationist to save historic landmarks, and also with their two sons, Eric and Edward.

Friends of the Earth thanks the Slater family and dozens of their friends who honored the legacy of Michael Slater with memorial gifts.
We are proud to be a part of the world’s largest federation of environmental groups, uniting 1 million activists in 70 countries.

Member Groups

Argentina, Australia, Austria, Belgium, Benin, Bolivia, Brazil, Bulgaria, Cameroon, Canada, Chile, Colombia, Costa Rica, Croatia, Curacao, Cyprus, Czech Republic, Denmark, Ecuador, El Salvador, England-Wales-Northern Ireland, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Grenada, Haiti, Honduras, Hungary, Indonesia, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Mali, Malta, Mauritius, Nepal, Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Scotland, Sierra Leone, Slovakia, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Togo, Tunisia, Ukraine, United States, Uruguay.