

EARTH ISLAND INSTITUTE INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2005

EARTH ISLAND INSTITUTE INC.
December 31, 2005

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Certified Public Accountants

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Independent Auditors' Report

To the Board of Directors
Earth Island Institute Inc.
San Francisco, California

We have audited the accompanying statement of financial position of Earth Island Institute Inc. (a California nonprofit organization) as of December 31, 2005, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the management of Earth Island Institute Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Earth Island Institute Inc. as of December 31, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Le, Ho & Company, LLP

San Francisco, California
May 4, 2006

EARTH ISLAND INSTITUTE
STATEMENT OF FINANCIAL POSITION
December 31, 2005

Assets

Current Assets	
Cash and cash equivalents	\$ 834,968
Wetland Restoration Trust Fund (contra)	2,869,711
Investments in marketable securities	644,006
Accounts and contributions receivable	243,253
Grants receivable	314,391
Merchandise inventory	2,244
Prepaid expenses and others	76,106
Total Current Assets	4,984,679
Property and equipment, net of accumulated depreciation	712,589
Deposits	14,914
Donated land	77,500
Total Assets	<u>\$ 5,789,682</u>

Liabilities and Net Assets

Current Liabilities	
Accounts payable and accrued expenses	\$ 94,416
Agency obligation (contra)	2,869,711
Income tax payable	33,298
Deposits and advance	108,893
Total Current Liabilities	<u>3,106,318</u>
Net Assets	
Unrestricted net assets	
Designated for investment in net property and equipment	712,589
Designated for Brower Legacy Endowment	168,197
Unrestricted	1,504,623
Total unrestricted net assets	2,385,409
Temporarily restricted net assets	297,955
Total Net Assets	<u>2,683,364</u>
Total Liabilities and Net Assets	<u>\$ 5,789,682</u>

See accompanying notes to financial statements.

EARTH ISLAND INSTITUTE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2005

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 924,794	\$ -	\$ 924,794
Foundation and other nongovernmental grants	1,202,024	217,501	1,419,525
Governmental grants and contracts	927,229	20,000	947,229
In-kind contributions	343,047	-	343,047
Membership dues	206,007	-	206,007
Service and consulting revenue	649,593	-	649,593
Merchandise sales, net of cost of sales and gifts of \$6,961	(3,151)	-	(3,151)
Royalty income	23,133	-	23,133
Advertising income	16,474	-	16,474
Investment return	43,658	-	43,658
Administrative fee	38,909	-	38,909
Miscellaneous	71,370	-	71,370
Net assets release from restrictions			
Expiration of time restrictions	<u>294,925</u>	<u>(294,925)</u>	<u>-</u>
Total support and revenues	<u>4,738,012</u>	<u>(57,424)</u>	<u>4,680,588</u>
Expenses			
Program services	3,298,737	-	3,298,737
Administrative and general	460,456	-	460,456
Fundraising	<u>363,133</u>	<u>-</u>	<u>363,133</u>
Total expenses	<u>4,122,326</u>	<u>-</u>	<u>4,122,326</u>
Change in Net Assets	615,686	(57,424)	558,262
Net Assets, beginning of year	<u>1,769,723</u>	<u>355,379</u>	<u>2,125,102</u>
Net Assets, end of year	<u>\$ 2,385,409</u>	<u>\$ 297,955</u>	<u>\$ 2,683,364</u>

See accompanying notes to financial statements.

EARTH ISLAND INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2005

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses				
Salaries and employee benefits	\$ 1,660,466	\$ 245,627	\$ 161,477	\$ 2,067,570
Independent contractors	314,748	46,560	30,609	391,917
Printing and publications	114,506	12,842	8,443	135,791
Postage and shipping	46,214	5,706	3,752	55,672
Travel and meetings	434,528	10,697	7,032	452,257
Conferences and training	65,792	1,284	844	67,920
Direct mail costs	4,632	-	51,378	56,010
Special appeals	10,226	-	10,227	20,453
Grants and allocations	88,752	-	-	88,752
Promotion and public education	119,064	-	32,053	151,117
Professional fees	8,487	43,872	825	53,184
Occupancy	185,166	27,391	18,007	230,564
Insurance	23,358	3,455	2,271	29,084
Supplies	72,390	10,709	7,040	90,139
Telephone	50,253	7,434	4,887	62,574
Depreciation	18,352	2,715	1,785	22,852
Equipment rental and maintenance	25,383	3,755	2,468	31,606
Unrelated business income tax	-	33,298	-	33,298
Miscellaneous	56,420	5,111	20,035	81,566
Total Expenses	<u>\$ 3,298,737</u>	<u>\$ 460,456</u>	<u>\$ 363,133</u>	<u>\$ 4,122,326</u>

See accompanying notes to financial statements.

EARTH ISLAND INSTITUTE
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2005

Cash Flows from Operating Activities	
Change in net assets	\$ 558,262
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	22,852
Net unrealized gain on investment in marketable securities	(7,596)
In-kind contributions received	(343,047)
(Increase) decrease in:	
Accounts and contributions receivable	96,370
Grants receivable	(110,925)
Merchandise inventory	538
Prepaid expenses and others	(1,906)
Deposits	(271)
Increase (decrease) in:	
Accounts payable and accrued expenses	(48,098)
Income tax payable	33,298
Deposits	70,071
Net Cash Provided by Operating Activities	<u>269,548</u>
Cash Flows from Investing Activities	
Purchase of furniture and equipment	(12,940)
Payment for EcoVillage real property	(355,200)
Investment in marketable securities	(203,770)
Proceed from sales of marketable securities	236,412
Net Cash Used in Investing Activities	<u>(335,498)</u>
Net Decrease in Cash and Cash Equivalents	(65,950)
Cash and Cash Equivalents, beginning of year	<u>900,918</u>
Cash and Cash Equivalents, end of year	<u>\$ 834,968</u>

See accompanying notes to financial statements.

EARTH ISLAND INSTITUTE INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Earth Island Institute Inc. (Earth Island) was incorporated in California in September 1982 as a nonprofit organization for the purposes of promoting, through education, the social welfare of the general public in global conservation, environmental, and ecological principles.

Earth Island promotes the conservation, preservation, and restoration of the earth through sponsoring a number of projects (Earth Island Projects) that provide various program services worldwide under the administration of Earth Island Network Services (see Note 13). Many of those programs are run by various organizations that use Earth Island as fiscal sponsor. Most of Earth Island's revenues come from contributions from the general public, foundation grants, and membership dues.

Change in Reporting Entity – In the prior year, David Brower Center, a California nonprofit organization formed in 2001 as a supporting organization within the meaning of Section 509(a)(3) of the Internal Revenue Code, was consolidated with the accounts of Earth Island because Earth Island had majority control over its board and was David Brower Center's sole designated supported organization. David Brower Center changed its Bylaws in 2005 in that Earth Island no longer has the majority control of the board and is no longer the sole designated supported organization. As a result of this change, David Brower Center would not be consolidated with Earth Island.

The account balances of Earth Island at the beginning of 2005 have been restated to reflect the balances without David Brower Center.

Basis of Accounting – The accompanying financial statements are presented using the accrual method of accounting.

Financial Statement Presentation – Information regarding the financial position and activities are classified into the applicable classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Earth Island does not have any permanently restricted net assets.

Use of Estimates – The preparation of financial statements in conformity with U.S. 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statements of cash flows, Earth Island considers all demand deposits with financial institutions, money market accounts, certificates of deposit, and short-term investments with an initial maturity of three months

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or less to be cash equivalents.

Investments – Investments in equity securities with readily determinable fair values and all investments in debt securities are reported in the statement of financial position at fair value with realized and unrealized gains and losses included in the statement of activities. Gains and losses are reflected as increases or decreases in the unrestricted class of net assets unless the donor or relevant laws place temporary or permanent restrictions on the gains and losses.

Accounts Receivable – No allowance for uncollectible accounts has been provided since the accounts receivable are all deemed to be collectible.

Merchandise Inventory – Merchandise inventory consists primarily of T-shirts, books, and other various items sold to the general public for educational and fundraising purposes. The inventory is stated at the lower of cost or market with cost determined by the first-in, first-out method.

Property and Equipment – Property and equipment are stated at cost of acquisition or construction. Contributed property and equipment are recorded at their estimated fair market values at the date of donation. Earth Island reports donated property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. The cost of maintenance and repairs is expensed as incurred while significant renewals and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging from three to five years.

Contributions – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions received by Earth Island are usually related to specific programs. These contributions are considered unrestricted and are reported as unrestricted support by the related program. Contributions received that have further restrictions placed by the donors within the specific programs or are designated for future periods are reported as temporarily restricted or permanently restricted support that increases those net asset classes. If a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give and multi-year grants that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in foundation grants revenue.

Donated Services – Earth Island receives various volunteer services throughout the year. Only those donated services that met the criteria for recognition under Statement of

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Financial Accounting Standards (SFAS) No. 116 are recognized in the statement of activities.

Membership Dues – Membership dues are recognized as revenue based on the period covered by the membership dues. Earth Island’s membership is on a calendar year basis.

Grants Made – Earth Island periodically provides grants to unrelated nonprofit organizations for the support of various environmental, educational, and informational activities. The list of Earth Island projects as described in Note 13 does not include a description of activities supported by these grants. Unconditional grants made by Earth Island to unrelated nonprofit organizations are recorded as expense upon commitment.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes – Earth Island is exempt from Federal income and California franchise taxes under provisions of Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code, respectively. However, tax-exempt organizations are subject to Federal income and California franchise taxes for unrelated business taxable income and provision for income taxes is provided for the unrelated business taxable income, if any.

Earth Island has elected to utilize Section 501(h) of the Internal Revenue Code, which allows limited lobbying activities by Section 501(c)(3) nonprofit organizations.

(2) TEMPORARILY RESTRICTED NET ASSETS

As discussed in the Note 1, Earth Island records contributions which have time restrictions or further purpose restrictions within a specific program as temporarily restricted net assets. The releases during the year and the balances of temporarily restricted net assets at December 31, 2005 are as follows:

<u>Programs / projects</u>	<u>Release</u>	<u>Balance</u>
Time-restricted:		
Alliance for Clean Water Front	\$ 18,333	\$ -
Borneo Project	13,564	-
EcoVillage Farm Center	4,167	-
Hydro Nova	13,750	-

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International Marine Mammal Project	31,009	36,667
Kids for the Bay	13,750	40,000
Mangrove Action Project	31,685	89,584
Ma'at Youth Academy	93,333	6,250
Reef Protection International	9,167	13,750
Sacred Land Film Project	52,667	36,667
Safe Food and Fertilizer	3,500	8,333
Tomales Bay Institute	10,000	37,500
Purpose-restricted:		
Marine Education Program	-	29,204
Total	\$ 294,925	\$ 297,955

(3) INVESTMENTS IN MARKETABLE SECURITIES

Investment in marketable securities are stated at fair market value and consisted of the following as of December 31, 2005:

Mutual Funds		\$ 378,726
Government and agency securities		49,375
Preferred stocks		51,550
Corporate Bonds		164,355
Total		\$ 644,006

The investment return for year 2005 consisted of the following:

Interest and dividend from banks and brokerage firm		\$ 27,276
Net realized gain on sales of marketable securities		8,786
Net unrealized gain on investment in marketable securities		7,596
Total		\$ 43,658

(4) LEASES

Earth Island leases its main office space in San Francisco under a four-year agreement expiring in May 2006. The monthly rent ranges from \$10,189 in 2002 to \$15,367 in 2006. This lease was subsequently renewed in 2006, the new lease is for lesser space and is for the period from June 1, 2006 to May 31, 2009 for \$9,878 per month. The new lease provides Earth Island with one option to terminate the lease by giving six months advance written notice beginning December 1, 2007.

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Earth Island also leases several offices primarily on a one-time or month-to-month basis throughout the U.S. and worldwide in order to carry out its programs. In addition, Earth Island also paid project directors for the usage of their home offices, which totaled \$48,800 in 2005.

During the current year, Earth Island has two subleases, one with SGS/Faultzone, Inc. (Note 5) and one with unrelated third party. In addition to rent, Earth Island also charges these parties for copier usage. The total rent office space and copier charges totaled \$35,874 for the year.

The total rent and occupancy costs incurred in 2005 for all the leases net of sublet income was \$230,564.

The minimum future lease payments and sublease income for the non-cancelable long-term sublease are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Lease</u> <u>Payment</u>	<u>Sublease</u> <u>Income</u>
2006	\$ 147,804	\$ (6,235)
2007	118,542	-
2008	118,542	-
2009	49,392	-

(5) RELATED PARTY TRANSACTIONS

In 2003, Earth Island entered into a technical support service agreement with SGS/Faultzone, Inc. (contractor) effective from January 1, 2003 to May 31, 2005. This agreement was extended for another year upon its expiration on May 31, 2005. Either party may terminate the agreement upon six months written notice. A board member of Earth Island is a principal with the contractor. On the other hand, the contractor has a sublease agreement with Earth Island to sublease certain office space from Earth Island with monthly rental payments of same amount as the technical support service agreement. This sublease agreement will automatically terminate if the technical support service agreement is terminated. The total value of the above exchanged transaction was \$14,609 for 2005 and was reflected as independent contractor expense and a reduction of occupancy cost of Earth Island on the statement of functional expenses. These transactions were approved by Earth Island's Board of Directors.

EARTH ISLAND INSTITUTE INC.
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(6) CONCENTRATION OF CREDIT RISK

Earth Island maintains its cash and investments at one bank and one brokerage firm. Accounts at the bank are insured by Federal Deposit Insurance Corporation (FDIC) for up to \$100,000. The securities in the brokerage accounts are protected by Security Investor Protection Corporation (SIPC) for up to a maximum of \$500,000 including \$100,000 in claims on cash. Moreover, the brokerage firms usually carry additional insurance to provide further protection for their customers. The balances at the bank, at times throughout the year, may exceed the FDIC insured limit. At December 31, 2005 the balance at brokerage firm exceeded SIPC insurance limit by approximately \$3,446,000. Neither SIPC nor the additional coverage protects against losses on investments due to market fluctuations.

(7) WETLAND RESTORATION TRUST FUND

Wetland Restoration Trust Fund was established at Merrill Lynch brokerage firm by Earth Island per a Stipulation and Consent Decree as amended on March 22, 2001 by the United States District Court Southern District of California. This fund is to be used on restoration projects designated by the Southern California Wetlands Recovery Project Work Plan (the Recovery Project) and for administrative expenses. The Recovery Project is an inter-agency task force composed of the state and federal resources agencies and for which the California Coastal Conservancy acts as staff. According to the Consent Decree, Earth Island must designate at least 33% of the Fund exclusively for use on any of these projects currently listed on the Recovery Project 2001-2002 Work Plan and approved by the Governing Board of the Recovery Project on or about May 18, 2001. Earth Island shall designate which projects are to be recipients of these funds before the 2001-2002 Work Plan expires on or about June 1, 2002. The remaining funds must be designated to projects listed on any of the Recovery Projects work plan through June 1, 2004. Any funds remaining undesignated after June 1, 2004 shall be allocated at the sole discretion of the Recovery Project. Any funds remaining unspent by the Recovery Project by June 1, 2005 may be redirected by Earth Island to another restoration project on the then approved work plan. If any funds remaining unallocated after December 31, 2006, those funds shall be released to the California Coastal Conservancy for wetlands restoration projects in Southern California. Any disbursement of the funds from Merrill Lynch needs to be approved by the California Coastal Conservancy.

Funds received for Wetland Restoration Trust Fund but not yet spent were recorded as agency obligation. As of December 31, 2005, these funds were invested through Merrill Lynch in money accounts, certificate of deposits, government securities, corporate bonds and mutual funds and were stated at fair value of \$2,841,312. Agency fund activities for the year ended December 31, 2005 are as follows:

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Agency obligation, January 1, 2005	\$ 3,672,039
Disbursements to projects	(833,959)
Investment return	42,321
Administrative expenses paid	(10,510)
Wire transfer fee	<u>(180)</u>
 Agency obligation, December 31, 2005	 <u>\$ 2,869,711</u>

(8) DONATED LAND

In 2000, Earth Island became the beneficiary and owner of a plot of land in Montana with a value at date of death of \$77,500. Management intends to sell the land in the future.

(9) PROMISE TO GIVE

Included in the “grant receivable” at December 31, 2005 are the following promises to give:

Pledge and grants	
Net unconditional promises to give	\$ <u>314,391</u>
Amounts due in:	
Less than one year	\$ 314,391
One to five years	<u>-</u>
Total	<u>\$ 314,391</u>

(10) IN-KIND CONTRIBUTIONS

In November 2005, the EcoVillage Farm Learning Center purchased a piece of land in Contra Costa County of California for \$350,000 from The Trust of Public Land. The fair market value of the land at the time of purchased approximated \$675,377. The difference between the price paid by Earth Island and the fair market value in the amount of \$325,377 is recorded as in-kind contribution.

In addition, legal fee of \$15,000 has been forgiven and a used automobile with valuation of \$2,690 was received during the year. They are reported as in-kind contributions.

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(11) PROPERTY AND EQUIPMENT

Property equipment consists of the following:

	Basis	Accumulated Depreciation	Estimated Useful Life
Furniture and equipment	\$ 309,103	\$ 292,534	various
Automobile	23,645	7,988	3 – 5 yrs.
House (EcoVillage)	51,951	216	30 yrs.
Land (EcoVillage)	628,628	-	N/A
Total	\$ 1,013,327	\$ 300,738	

(12) INCOME TAXES

Earth Island received a bequest of 8.17% ownership interest in an S corporation in 2002 and recorded the estimated fair market value of the bequest as revenue. Income from S corporation under the existing tax regulation is regarded as unrelated business taxable income. Earth Island also has advertising income, which is also unrelated business taxable income. In the prior years, Earth Island did not incur any income taxes since the related expenses exceeded the unrelated business taxable income. In 2005, the S corporation sold its real property, distributed the proceeds to the shareholders and liquidated. As a result of this transaction, Earth Island received a large gain allocated from the S corporation, which was subject to income/franchise tax. The federal and state income tax expense amounted to \$24,560 and \$8,738, respectively for the year and were payable at December 31, 2005.

(13) CONTINGENCIES

Earth Island participates in grant programs assisted by various governmental agencies. Those programs are subject to financial and compliance audits by the grantors or their representatives, the purpose of which is to ensure compliance with condition precedent and subsequent to the granting of funds. According to management, any liability for reimbursements which may arise as the result of these audits is not believed to be material.

In addition, Earth Island has engaged an attorney for dolphin-related lawsuit against the U.S. Government. The attorney agreed to provide legal service on a pro bono basis, but it will be reimbursed for its costs under the terms of the engagement. As of December 31, 2005, there were approximately \$64,000 reimbursable costs, which payments are being

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deferred until the end of the legal proceeding, at which time the attorney will first seek reimbursement from the U.S. Government. If the U.S. Government does not pay such costs in full, the attorney would then look to Earth Island for recovery of any unpaid portion of the costs. The case is still pending.

(14) EARTH ISLAND PROJECTS

Earth Island had the following programs and projects in 2005:

- **Earth Island Network Services** is the core program of Earth Island aimed at carrying on Dave Brower's legacy of developing environmental leadership for the conservation, preservation and restoration of the Earth. Project Support provides incubation services to our project network; Public Education publishes *Earth Island Journal*, a quarterly publication on international environmental issues as well as Earth Island's website and monthly Island Wire e-newsletter; the Brower New Leaders Initiative oversees the Brower Youth Awards and emerging leaders; Restoration Initiative supports grassroots environment restoration leadership.
- **Alliance for a Clean Waterfront** is a coalition of twenty-two environmental and community organizations whose mission is to promote the protection and sustainability of San Francisco's water resources.
- **Baikal Watch** promotes international activities for the permanent protection of biologically unique Lake Baikal in Siberia, as well as related initiatives throughout Russia and northern Asia.
- **Bay Area International Development Organizations** is a network of San Francisco Bay Area non-profit organizations doing international development work. BAIDO's goals are to strengthen the community of local nonprofits and educate the public and press about grassroots international development.
- **Bay Area Wilderness Training** provides educators with the training and equipment needed to take urban youth on safe, powerful wilderness trips.
- **Borneo Project** works to support indigenous rights, rain forest protection, and community development in Borneo.
- **The Brower Fund** educates the public on David Brower's legacy of leadership and his message and provides short-term organizational support and small seed grants to innovative campaigns and projects demonstrating bold emerging leadership.

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- **Campaign to Safeguard America's Waters** works to stop industrial water pollution by fighting for strong national and state water quality standards. C-SAW's major foci for the past few years have been "mixing zones" and cruise ship pollution.
- **Center for Safe Energy** supports the development of independent non-profit citizen's organizations in the former Soviet Union. The Center staff conducts training sessions for NGO leaders, collaborates in organizing international conferences on environmental issues, sponsors publications on environmental problems, and manages exchanges between NGO leaders in America and the former USSR.
- **EcoEquity~** is a research and advocacy organization dedicated to the promotion of a just solution to the climate crisis In the international arena.
- **EcoVillage Farm Learning Center** is a 5.6 acre urban oasis in Richmond, CA, where local and regional residents learn the art of organic farming and how to protect the land, air, and water. EcoVillage inspires people to live in harmony with the Earth and each other, and to gain respect for all living things.
- **Energy Action~** is a coalition of 30 college campus environmental and social justice organizations throughout the U.S. and Canada working to promote awareness of global climate change.
- **Ethical Traveler** is a global community through which tourists and travelers can understand their economic and political power of travel and use it to benefit both the human community and planetary environment.
- **Faultline**** brings Californians accurate and compelling environmental news and information on subjects ranging from environmental justice to wilderness protection.
- **Global Service Corps** provides opportunities for adult volunteer participants to live and work on environmental and social justice projects in Africa and Thailand.
- **Hydro Electric Watch** (formerly Northeast Alliance to Protect James Bay)* focuses on the threats to the environment and indigenous cultures posed by Hydro-Quebec's plans for large-scale hydroelectric development in Northern Canada.
- **Hydro Nova** (Formerly Treatment Wetlands Organization) seeks to facilitate the introduction of alternative wastewater treatment systems into California – systems that would help to alleviate groundwater pollution attributable to existing septic systems and to help develop sensible regulatory processes that support water conservation and water recycling.

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- **ISA-NET** (Industrial Shrimp Action Network)* supports controlled shrimp farming on coastal resources internationally and discourages destructive industrial shrimp production practices.
- **International Marine Mammal Project** is leading the international effort to stop the slaughter of dolphins, to end commercial whaling, and to end the use of drift nets and other destructive fishing practices, end commercial exploitation of cetaceans by aquariums and sea parks, and protect key whale and dolphin habitats.
- **John Muir Project** seeks to protect mature and old growth forests on US federal public lands from the destructive effects of commercial logging. JMP believes that science and sound ecological principles in forest management will continue to be undermined until timber sales are banned on national forests.
- **Kids for the Bay** collaborates with SF Bay Area teachers to inspire environmental consciousness in children and cultivates a love of learning through hands-on action for environmental restoration.
- **Ma'at Youth Academy** works to improve public and environmental health in urban areas by developing and modeling multicultural environmental education, promoting economic opportunities for at-risk youth and increasing community involvement in environmental protection.
- **Mangrove Action Project** works internationally with mangrove forest communities, grassroots NGOs, researchers, and local governments to conserve and restore mangrove forests and related coastal ecosystems, while promoting community-based, sustainable management of coastal resources.
- **Nature in the City**~ works to restore San Franciscan watersheds and biodiversity, connect people with their local nature, and realize living dynamically and harmoniously with wild nature in the city.
- **Reef Protection International** educates the public about the marine aquarium trade and promotes consumer behavior that enhances coral reef conservation internationally.
- **Red Panda Project**~ is committed to empowering the local stewardship of Himalayan red pandas and their habitat through innovative, grassroots conservation action plans that link economic growth with ecological conservation.
- **ReThink Paper**** works to convince paper producers, consumers, suppliers, distributors, and others to rethink – then replace – current paper production and consumption practices with more ecologically sound alternatives. RTP works to reduce the demand for virgin wood fiber by stimulating interest in, and demand for,

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tree-free and high post-consumer content recycled, chlorine-free paper, and encouraging strategies that reduce paper consumption and increase paper use efficiency.

- **Rooted in Community** is a national grassroots network that empowers young people to take leadership in their own communities. It is a diverse movement of youth and adults working together who are committed to fostering healthy communities and food justice through urban and rural agriculture, community gardening, food security, and related environmental justice work.
- **Sacred Land Film Project** produces a variety of media and educational materials – films, videos, DVDs, articles, photographs, school curricula materials, and Web site content – to deepen public understanding of sacred places, indigenous cultures, and environmental justice. Our mission is to use journalism, organizing, and activism to rekindle reverence for land, increase respect for cultural diversity, stimulate dialogue about connections between nature and culture, and protect sacred lands and diverse spiritual practices.
- **Safe Food and Fertilizer** is working to raise awareness about the disposal of hazardous and other solid wastes as fertilizer, soil amendments, and animal feeds; the effects they have on human health and the environment, and ultimately, a ban on their use.
- **SAVE International** (Spoonbill Action Voluntary Echo) seeks to protect the critically endangered Black-faced Spoonbill and its Asian habitat throughout its flyway by promoting alternative economic development and long-term sustainability of the ecosystems and local communities.
- **Sustainable World Coalition** (formerly World Sustainability Hearings) produces the Sustainable World Symposium every two years in San Francisco. SWC also produces other sustainability resources (in print, video, and web).
- **Tibetan Plateau Project** promotes biodiversity conservation and sustainable development of local communities in the Tibetan Plateau region.
- **Tomales Bay Institute** aims to revive the concept of the commons in American public life and debate, and to propose new ways to advance and protect it in all its many forms.
- **True Food Network**** is a national consumer network of over 40,000 members dedicated to ending the genetic engineering of our food, and promoting a socially just, democratic, and sustainable food system.

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- **UniversitÀrea Protegida** creates opportunities for Nicaraguan university students to conduct scientific research, participate in community-based conservation projects, and implement environmental awareness classes in rural schools. The program serves as a foundation for careers in conservation and supports local schools and non-governmental organizations managing Nicaragua's natural reserves.
- **Viva Sierra Gorda** (formerly Friends of Sierra Gorda) is the outreach and advocacy partner for the Sierra Gorda bioregion of central Mexico. Seventeen years of cultivating a sustainable culture with reforestation and forestry management, environmental education, community organizing, sanitation-recycling, and economic development has led to the only Biosphere Reserve in Mexico functioning with region-wide consensus and grassroots leadership.
- **West Africa Rainforest Network** supports the protection of forests and forest peoples' rights in West Africa. Working in solidarity with local communities and organizations, WARN builds local capacity and international support for the protection and sustainable management of forest resources.
- **WildFutures** (formerly the Wildlife Network) works to bridge the gap between scientific understanding and conservation practice in the protection of large carnivores and their habitat. By providing services and essential trainings to groups and scientists, WildFutures helps NGO's and scientists more effectively reach their conservation goals.
- **Women's Global Green Action Network**~ empowers and unites international grassroots women advocates, entrepreneurs, and community leaders around the world who are working in the areas of environmental, economic, and social justice.
- **Yggdrasil Institute** is a small project with the aim of furthering global sustainability, in particular by working on international nuclear safety issues and eastern US old-growth forests.

*These projects were inactive during all or part of fiscal year 2005.

**These projects separated from Earth Island during the fiscal year 2005.

~These projects were new to Earth Island in fiscal year 2005.