
EARTH ISLAND INSTITUTE INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2006



Le, Ho & Company, LLP
Certified Public Accountants

EARTH ISLAND INSTITUTE INC.

December 31, 2006

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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, 2006, 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, 2006, 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
June 21, 2007

EARTH ISLAND INSTITUTE
STATEMENT OF FINANCIAL POSITION
December 31, 2006

Assets

Current Assets	
Cash and cash equivalents	\$ 1,990,470
Wetland Restoration Trust Fund (contra)	2,892,671
Investments in marketable securities	609,004
Accounts and contributions receivable	141,985
Grants receivable	361,786
Merchandise inventory	2,901
Prepaid expenses and others	<u>85,473</u>
Total Current Assets	6,084,290
Property and equipment, net of accumulated depreciation	<u>768,241</u>
Total Assets	<u>\$ 6,852,531</u>

Liabilities and Net Assets

Current Liabilities	
Accounts payable and accrued expenses	\$ 485,832
Agency obligation (contra)	2,892,671
Deposits and advance	59,350
Deferred income	<u>243,125</u>
Total Current Liabilities	<u>3,680,978</u>
Net Assets	
Unrestricted net assets	
Designated for investment in net property and equipment	768,241
Designated for Brower Legacy Endowment	168,197
Unrestricted	<u>1,202,615</u>
Total unrestricted net assets	2,139,053
Temporarily restricted net assets	<u>1,032,500</u>
Total Net Assets	<u>3,171,553</u>
Total Liabilities and Net Assets	<u>\$ 6,852,531</u>

See accompanying notes to financial statements.

EARTH ISLAND INSTITUTE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2006

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 1,032,424	\$ -	\$ 1,032,424
Foundation and other nongovernmental grants	2,496,949	1,022,500	3,519,449
Governmental grants and contracts	488,801	10,000	498,801
Membership dues	174,041	-	174,041
Service and consulting revenue	941,431	-	941,431
Merchandise sales, net of cost of sales and gifts of \$5,121	(2,940)	-	(2,940)
Royalty income	18,244	-	18,244
Advertising income	24,178	-	24,178
Journal sales	18,196	-	18,196
Investment return	112,314	-	112,314
Gain on sales of fixed assets	3,000	-	3,000
Administrative fee	112,664	-	112,664
Miscellaneous	120,478	-	120,478
Net assets release from restrictions			
Expiration of time restrictions	268,751	(268,751)	-
Total support and revenues	<u>5,808,531</u>	<u>763,749</u>	<u>6,572,280</u>
Expenses			
Program services	5,228,998	-	5,228,998
Administrative and general	425,438	-	425,438
Fundraising	429,655	-	429,655
Total expenses	<u>6,084,091</u>	<u>-</u>	<u>6,084,091</u>
Change in Net Assets	(275,560)	763,749	488,189
Net Assets, beginning of year	<u>2,385,409</u>	<u>297,955</u>	<u>2,683,364</u>
Net Assets, end of year	<u>\$ 2,109,849</u>	<u>\$ 1,061,704</u>	<u>\$ 3,171,553</u>

See accompanying notes to financial statements.

EARTH ISLAND INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2006

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses				
Salaries and employee benefits	\$ 1,970,596	\$ 286,211	\$ 211,566	\$ 2,468,373
Independent contractors	289,522	3,555	13,398	306,475
Printing and publications	111,527	13,260	9,807	134,594
Postage and shipping	43,469	4,669	3,453	51,591
Travel and meetings	566,985	10,300	7,618	584,903
Conferences and training	107,762	3,107	2,298	113,167
Direct mail costs	3,903	-	36,078	39,981
Special appeals	35,722	-	35,723	71,445
Grants and allocations	1,499,436	-	-	1,499,436
Promotion and public education	141,485	-	49,372	190,857
Professional fees	15,195	47,541	823	63,559
Occupancy	182,419	26,396	19,523	228,338
Insurance	23,243	3,363	2,488	29,094
Supplies	62,047	8,978	6,641	77,666
Telephone	44,729	6,472	4,787	55,988
Depreciation	14,633	2,118	1,566	18,317
Equipment rental and maintenance	33,719	4,879	3,608	42,206
Miscellaneous	82,606	4,589	20,906	108,101
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ 5,228,998	\$ 425,438	\$ 429,655	\$ 6,084,091

See accompanying notes to financial statements.

EARTH ISLAND INSTITUTE
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2006

Cash Flows from Operating Activities	
Change in net assets	\$ 488,189
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	18,317
Net unrealized gain on investment in marketable securities	(15,879)
Realized gain on sale of donated land	(17,500)
Realized loss on sales of marketable securities	4,865
(Increase) decrease in:	
Accounts and contributions receivable	101,268
Grants receivable	(47,395)
Merchandise inventory	(657)
Prepaid expenses and others	(9,367)
Deposits	14,914
Increase (decrease) in:	
Accounts payable and accrued expenses	391,416
Income tax payable	(33,298)
Deposits and advance	(49,543)
Deferred income	243,125
Net Cash Provided by Operating Activities	<u>1,088,455</u>
 Cash Flows from Investing Activities	
Purchase of fixed assets	(17,911)
Payment for EcoVillage improvements	(56,058)
Investment in marketable securities	46,016
Proceed from sales of land	95,000
Net Cash Provided by Investing Activities	<u>67,047</u>
 Net Increase in Cash and Cash Equivalents	 1,155,502
 Cash and Cash Equivalents, beginning of year	 <u>834,968</u>
 Cash and Cash Equivalents, end of year	 <u>\$ 1,990,470</u>
 Supplemental Information	
Income tax paid	\$ 33,298

See accompanying notes to financial statements.

EARTH ISLAND INSTITUTE INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

(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 11). 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.

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 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.

EARTH ISLAND INSTITUTE INC.
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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 support that increases that net asset class. 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 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

EARTH ISLAND INSTITUTE INC.
NOTES TO FINANCIAL STATEMENTS
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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, 2006 are as follows:

<u>Programs / projects</u>	<u>Release</u>	<u>Balance</u>
Time-restricted:		
Ma'at Youth Academy	\$ 6,250	\$ -
Reef Protection International	13,750	-
Safe Food and Fertilizer	8,333	-
Tomales Bay Institute	37,500	-
International Marine Mammal Project	36,667	25,000
Kids for the Bay	40,000	50,000
Mangrove Action Project	89,584	35,833
Sacred Land Film Project	36,667	62,500
Center for Safe Energy	-	5,000
Energy Action	-	846,667
Bay Area Wildness Training	-	7,500
Purpose-restricted:		
Marine Education Program	-	29,204
Total	<u>\$ 268,751</u>	<u>\$ 1,061,704</u>

(3) INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities are stated at fair market value and consisted of the

EARTH ISLAND INSTITUTE INC.
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December 31, 2006

following as of December 31, 2006:

Mutual funds	\$ 395,451
Government and agency securities	49,578
Preferred stocks	65,245
Corporate bonds	<u>98,730</u>
Total	<u>\$ 609,004</u>

The investment return for year 2006 consisted of the following:

Interest and dividend from banks and brokerage firm	\$ 83,800
Realized gain on sale of land	17,500
Net unrealized gain on investment in marketable securities	15,879
Realized loss on sales of marketable securities	<u>(4,865)</u>
Total	<u>\$ 112,314</u>

(4) LEASES

Earth Island leases its main office space in San Francisco under a four-year agreement which expired 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 with option to extend for one year. The new lease provides Earth Island with one option to terminate the lease by giving six months advance written notice beginning December 1, 2007.

Earth Island had been subleasing two of its office at the main office, one with SGS/Faultzone, Inc. (Note 5) and one with unrelated third party. In addition to rent, Earth Island also charged these parties for copier usage. The sublease ended in May 2006 when Earth Island renewed its lease. The total rent office space and copier charges totaled \$9,810 for 2006.

In addition, Earth Island has three other program offices on non-cancelable leases expiring in 2007 and 2008 and 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. Earth Island also paid its project directors for the usage of their home offices.

Total rent and occupancy costs incurred in 2006 for all the leases, net of sublease income, was \$228,338.

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

<u>Year Ending</u> <u>December 31,</u>	
2007	\$ 150,113
2008	125,309
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 (resigned on October 2006) 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 \$6,235 for 2006 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. The agreement expired on May 31, 2006.

(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. At December 31, 2006, the balances at the bank exceeded the FDIC insured limit by approximately \$516,000. The balance at brokerage firm exceeded SIPC insurance limit by approximately \$4,253,000. 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

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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. The parties have agreed to continue the administrative arrangement with Earth Island with the same terms after December 31, 2006 until all funds are allocated. 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, 2006, 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 \$2,855,802. Agency fund activities for the year ended December 31, 2006 are as follows:

Agency obligation, January 1, 2006	\$ 2,869,711
Disbursements to projects	(23,590)
Investment return	158,974
Administrative expenses paid	(112,214)
Wire transfer fee	<u>(210)</u>
Agency obligation, December 31, 2006	<u>\$ 2,892,671</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 sold the land in 2006 for \$95,000.

EARTH ISLAND INSTITUTE INC.
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(9) PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>Basis</u>	<u>Accumulated Depreciation</u>	<u>Estimated Useful Life</u>
Furniture and equipment	\$ 327,014	\$ 303,174	various
House (EcoVillage)	51,951	2,808	30 yrs.
Automobile (EcoVillage)	23,645	13,073	3 to 5 yrs
Land Improvement (EcoVillage)	56,058	-	N/A
Land (EcoVillage)	<u>628,628</u>	<u>-</u>	N/A
Total	<u>\$ 1,087,296</u>	<u>\$ 319,055</u>	

(10) 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 believed not 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. In April 2007, the court ruled in favor of Earth Island; and the court costs will be covered by the U.S. Government.

In May 2007, Earth Island and an employee of Earth Island among two other parties are named as defendants in a case filed in Broward County, Florida. The plaintiff is alleging that the parties interfered with his business related to trading of dolphins. This case is in the very early stage and Earth Island has not make a determination of what the outcome will be.

(11) EARTH ISLAND PROJECTS

Earth Island had the following programs and projects in 2006:

- **Earth Island Network Services** is the core program of Earth Island aimed at carrying on David Brower's legacy of developing environmental leadership for the conservation,

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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.

- **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.
- **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.
- **The Democracy Initiative***** is working to help protect the planet and our communities by building a democracy movement in Alaska.
- **EcoEquity** is a research and advocacy organization dedicated to the promotion of a just solution to the climate crisis in the international arena.
- **Eco-Island Project***** is working to promote energy efficiency and renewable energy in the San Francisco Bay Area by making Angel Island State Park a showcase of proven

EARTH ISLAND INSTITUTE INC.
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green technologies that make cost-effective use of the abundant wind and solar resources of the region.

- **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 Coalition** 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.
- **The Fiji Organic Project***** is leading the effort to shift agricultural production in Fiji to organic growing methods, particularly in the sugar cane industry.
- **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.
- **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

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sound ecological principles in forest management will continue to be undermined until timber sales are banned on national forests.

- **Kids for the Bay** (formerly Estuary Action Challenge) 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.
- **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.
- **Reef Protection International** educates the public about the marine aquarium trade and promotes consumer behavior that enhances coral reef conservation internationally.
- **ReThink Paper**** works to convince paper producers, consumers, suppliers, distributors, and others to rethink – and then replace – current paper production and consumption practices with more ecologically sound alternatives.
- **Rooted in Community National Network** 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. The mission is to use journalism, organizing, and activism to rekindle reverence for land, increase respect for cultural diversity, stimulate dialogue

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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 Watershed Alliance** (formerly 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.
- **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.
- **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.

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- **WildeBeat***** produces a weekly news and information audio program illustrating that wilderness is both accessible and valuable.
- **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. 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** (formerly 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 2006.

** These projects separated from Earth Island during the fiscal year 2006.

***These projects were new to Earth Island in fiscal year 2006.