FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007

December 31, 2007

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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, 2007, 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, 2007, 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 i Company, LUP

San Francisco, California July 8, 2008

STATEMENT OF FINANCIAL POSITION

December 31, 2007

Assets

Current Assets	
Cash and cash equivalents	\$ 1,712,850
Wetland Restoration Trust Fund (contra)	2,321,445
Investments in marketable securities	1,196,721
Accounts and contributions receivable	171,273
Grants receivable	1,597,749
Other receivable	5,500
Merchandise inventory	1,302
Prepaid expenses and others	104,386
Total Current Assets	7,111,226
Property and equipment, net of accumulated depreciation	1,038,722
Total Assets	\$ 8,149,948
Liabilities and Net Assets	
Current Liabilities	
Accounts payable and accrued expenses	\$ 188,199
Agency obligation (contra)	2,321,445
Deposits and advance	142,081
Deferred income	5,286
Grants payable	759,984
Notes payable	32,500
Total Current Liabilities	3,449,495
Net Assets	
Unrestricted net assets	
Designated for investment in net property and equipment	1,038,722
Designated for Brower Legacy Endowment	70,313
Unrestricted	1,777,831
Total unrestricted net assets	2,886,866
Temporarily restricted net assets	1,813,587
Total Net Assets	4,700,453
Total Liabilities and Net Assets	\$ 8,149,948

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2007

	Unrestricted			Femporary Restricted	Total	
Support and Revenue						
Contributions	\$	1,728,654	\$	_	\$	1,728,654
Foundation and other grants		4,364,449		1,784,383		6,148,832
Membership dues		336,792				336,792
Service and consulting revenue		951,086		-		951,086
Merchandise sales, net of cost of sales		,				,,,,,,,,,
and gifts of \$3,067		(2,380)		_		(2,380)
Royalty income		17,555		_		17,555
Advertising income		16,956		_		16,956
Journal sales		19,599		_		19,599
Investment return		43,982		_		43,982
Administrative fee		94,925		_		94,925
Special event, net of costs of		•				,
direct benefits to donors of \$30,377		43,982		_		43,982
Miscellaneous		108,849		_		108,849
Net assets release from restrictions		•				
Expiration of time restrictions		1,032,500		(1,032,500)		-
Total support and revenues		8,756,949		751,883		9,508,832
Expenses						
Program services		6,819,610		_		6,819,610
Administrative and general		509,550		-		509,550
Fundraising		650,772		-		650,772
Total expenses		7,979,932		-		7,979,932
Change in Net Assets		777,017		751,883		1,528,900
Net Assets, beginning of year		2,109,849		1,061,704		3,171,553
Net Assets, end of year	\$	2,886,866	\$	1,813,587	<u>\$</u>	4,700,453

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2007

		Program Services		ministrative d General	Fu	ındraising	_	Total
Expenses								
Salaries and employee benefits	\$	2,358,121	\$	341,412	\$	292,477	\$	2,992,010
Independent contractors		341,488		8,425		19,144		369,057
Printing and publications		114,041		12,779		10,913		137,733
Postage and shipping		53,075		5,034		4,299		62,408
Travel and meetings		664,888		15,169		12,954		693,011
Conferences and training		460,491		5,085		4,343		469,919
Direct mail costs		4,239		-		28,332		32,571
Special appeals		-		-		152,857		152,857
Grants and allocations		1,942,633		_		· -		1,942,633
Promotion and public education		242,267		-		30,920		273,187
Professional fees		10,667		50,895		1,302		62,864
Occupancy		197,963		28,298		24,167		250,428
Insurance		14,773		2,112		1,803		18,688
Supplies		88,161		12,602		10,762		111,525
Telephone		51,303		7,334		6,263		64,900
Depreciation		23,394		3,344		2,856		29,594
Equipment rental and maintenance		87,152		12,458		10,639		110,249
Miscellaneous		164,954		4,603		36,741		206,298
Total Expenses	<u>\$</u>	6,819,610	<u>\$</u>	509,550	\$	650,772	\$	7,979,932

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007

Cash Flows from Operating Activities		
Change in net assets	\$	1,528,900
Adjustments to reconcile change in net assets to net cash		, ,
provided by operating activities:		
Depreciation		29,594
Loss on sale of fixed assets		357
Net unrealized loss on investment in marketable securities		(44,909)
Realized loss on sales of marketable securities		(1,978)
(Increase) decrease in:	•	() /
Accounts and contributions receivable		(29,288)
Grants receivable		(1,235,963)
Other receivable		(5,500)
Merchandise inventory		1,599
Prepaid expenses and others		(18,913)
Increase (decrease) in:		(,,
Accounts payable and accrued expenses		(297,633)
Deposits and advance		85,231
Deferred income		(237,839)
Grants payable		759,984
Net Cash Provided by Operating Activities	_	533,642
Cash Flows from Investing Activities		
Purchase of fixed assets		(58,582)
Proceed from sales of fixed assets		800
Payment for EcoVillage improvements		(242,650)
Investment in marketable securities		(540,830)
Net Cash Used in Investing Activities		(841,262)
Cash Flows from Financing Activities		
Loan proceeds		30,000
Net Cash Provided by Financing Activities		30,000
Net Decrease in Cash and Cash Equivalents		(277,620)
Cash and Cash Equivalents, beginning of year		1,990,470
Cash and Cash Equivalents, end of year	\$	1,712,850

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

(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 various program services worldwide under the administration of Earth Island Network Services (see Note 12). Many of those activities are carried out through fiscally sponsored projects managed under Earth Island's Project Support core program. Other core programs of Network Services providing services to the public and other constituencies are Publishing/Public Education, Restoration Initiatives, and New Leaders Initiative. 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.

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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 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. Unconditional grants made by Earth Island to unrelated nonprofit organizations are recorded as expense upon commitment.

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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, taxexempt 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, 2007 are as follows:

Programs / projects	Release	<u>Balance</u>
Time-restricted:		
International Marine Mammal Project	\$ 25,000	\$ -
Kids for the Bay	50,000	_
Mangrove Action Project	35,833	-
Sacred Land Film Project	62,500	85,716
Center for Safe Energy	5,000	-
Energy Action	846,667	1,538,334
Bay Area Wildness Training	7,500	-
Altai Project	-	70,000
John Muir	-	33,333
Purpose-restricted:		
Bay Area Wildness Training:		
– vehicle	-	25,000
transportation	-	32,000
Marine Education Program		29,204
Total	<u>\$ 1,032,500</u>	<u>\$ 1,813,587</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

(3) INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities are stated at fair market value and consisted of the following as of December 31, 2007:

Mutual funds	\$	353,456
Government and agency securities		50,047
Preferred stocks		93,225
Corporate bonds		99,993
Municipal bonds	_	600,000
Total	<u>\$</u>	1,196,721
The investment return for year 2007 consisted of the following:		
Interest and dividend from banks and brokerage firm	\$	90,869
Net unrealized loss on investment in marketable securities		(44,909)
Realized loss on sales of marketable securities		(1,978)

43,982

(4) <u>LEASES</u>

The current main office lease for Earth Island in San Francisco is for the period from June 1, 2006 to May 31, 2009 for \$9,878 per month with an option to extend for one year. Under this lease, Earth Island has one option to terminate the lease by giving six months advance written notice beginning December 1, 2006.

Total

Earth Island started subleasing one of its offices at the main office in the middle of December 2007 to an unrelated party for \$350 per month.

In addition, Earth Island has three other program offices on non-cancelable leases expiring in 2008 and several offices 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.

The rent and occupancy costs incurred in 2007 for all the leases, net of sublease income, totaled \$250,428.

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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

Year Ending

December 31,

2008 \$ 160,009

2009 \$ 49,392

(5) <u>CONCENTRATION OF CREDIT RISK</u>

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 brokerage firm has arrangement that spreads the deposits into linked money market deposit accounts with other depository institutions so that the deposits are within the FDIC limit. At December 31, 2007, the balances at the bank exceeded the FDIC insured limit by approximately \$936,000.

The securities in the brokerage accounts are protected by Security Investor Protection Corporation (SIPC) for up to a maximum of \$500,000; moreover, the brokerage firms usually carry additional insurance to provide further protection for their customers. Neither SIPC nor the additional coverage protects against losses on investments due to market fluctuations. The fair market value of securities at brokerage firm approximately \$3,694,000 at December 31, 2007.

(6) 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 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 should designate which projects were to be recipients of these funds before the expiration of the 2001-2002 Work Plan 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 should be allocated at the sole discretion of the Recovery Project. Any funds remaining unspent by the Recovery Project by June 1, 2005 might be redirected by Earth Island to another restoration project

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

on the then approved work plan. If any funds remaining unallocated after December 31, 2006, those funds should 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, 2007, these funds were invested through Merrill Lynch in municipal bonds, money accounts, government securities, corporate bonds and mutual funds and were stated at fair value of \$2,321,445. Agency fund activities for the year ended December 31, 2007 are as follows:

Agency obligation, January 1, 2007	\$ 2,892,671
Disbursements to projects	(528,662)
Investment return	52,061
Administrative expenses paid	(94,415)
Bank fees	(210)
Agency obligation, December 31, 2007	<u>\$ 2,321,445</u>

(7) PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2007 consisted of the following:

	 Basis	Accumulated Depreciation	Estimated Useful Life
Furniture and equipment House (EcoVillage) Automobile (EcoVillage) Land Improvement (EcoVillage) Land (EcoVillage)	\$ 363,827 51,951 23,645 298,708 628,628	\$ 304,480 5,400 18,157	2
Total	\$ _1,366,759	\$ 328,037	

(8) NOTES PAYABLE

The following projects had borrowings at December 31, 2007:

The Red Panda Network - Non-interest bearing, payable based on funds available. Balance at December 31, 2007 was \$2,500.

NOTES TO FINANCIAL STATEMENTS December 31, 2007

Bay Area Wilderness Training – two loans with identical terms and are non-interest bearing. It is anticipated that full repayment will be made or a repayment plan will be determined by July 2008; however, if not repaid within two years (November 2009), the loan will be forgiven. Total balance at December 31, 2007 was \$30,000.

(9) GRANTS PAYABLE

One of the programs of Energy Action Coalition, a project of Earth Island, is to raise funds and then re-granting it to collaborative partners for the "The Campus Climate Challenge" project. Energy Action Coalition develops a set of funding criteria for each year, reviews proposals from each partner and facilitates budget setting and distributes funds. At December 31, 2007, Energy Action Coalition had committed \$759,984 for regranting to the partners.

(10) <u>CONTINGENCIES</u>

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 May 2007, Earth Island and an employee of Earth Island among two other parties were named as defendants in a case filed in Broward County, Florida. The plaintiff alleged that the parties interfered with his business related to trading of dolphins. This case is in its early stage and Earth Island intends to contest all claims vigorously. The outcome of this case presently cannot be determined.

(11) SUBSEQUENT EVENT

During 2008, Earth Island entered into a lease agreement for its future main office with David Brower Center. This lease is for five years commencing on February 1, 2009 with two five-year renewal options. The base rent is \$16,918 per month.

David Brower Center is a California non-profit organization, and qualifies within the meaning of Section 509(a)(3) of the Internal Revenue Code as a supporting organization for public charities described in section 509(a)(1) or (2) of the Internal Revenue Code that are engaged in efforts to protect the natural world, educate the public about the natural world, and promote sustainable human communities. In addition to supporting that class of public charities as described above, David Brower Center also designated two supported organizations — one of them is Earth Island Institute.

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

(12) EARTH ISLAND PROJECTS

Earth Island had the following programs and projects in 2007:

- 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; Our New Leaders Initiative oversees the Brower Youth Awards and emerging leaders; Restoration Initiatives support grassroots environment restoration leadership.
- Adaptation Network~ promotes adaptation, in concert with mitigation, to build resilience in the United States changing climate through support of both grassroots and policy level efforts.
- Altai Project~ works to protect the natural and cultural heritage of the Altai − a uniquely diverse, mountainous region of southern Siberia − through small grants, professional exchanges, and joint projects with indigenous partners.
- 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.
- Bay Localize~ builds more livable and self-reliant communities while decreasing dependence on fossil fuel in the nine-county Bay Area.
- Big Wildlife~ is a conservation advocacy group working to raise public awareness
 and gain support for top carnivore and keystone wildlife throughout North America
 through grassroots organizing and media.
- Borneo Project works to support indigenous rights, rain forest protection, and community development in Borneo.

NOTES TO FINANCIAL STATEMENTS December 31, 2007

- 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.
- California Student Sustainability Coalition~ is a statewide network of young leaders working together to advance sustainability through education, training, and networking. CSSC is currently collaborating with key decision makers to promote, create and implement university sustainability policies.
- 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 CSE works to provide knowledge, American contacts, skills, technical assistance and financial resources to non-profit partners in the former Soviet Union that are strengthening democratic society and improving environmental conditions
- China Rivers Project~ works to protect China's river heritage for people and wildlife and to foster river-based recreation in China by coordinating education-oriented river trips and providing opportunities for stakeholder dialogue about the value of healthy, free-flowing rivers.
- Communities for Democracy in Alaska (formerly 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 and adequate solution to the climate crisis. Our primary focus is a fair and adequate global climate regime, and preparing the US people for its demands.
- Eco-Island Project endeavors to make Angel Island a symbol of the Bay Area's environmental leadership by partnering with Angel Island State Park to harness renewable energy, promote sustainable management, and foster environmental education.
- EcoVillage Farm Learning Center is an "Oasis of Connectivity" promoting environmental education, social justice, youth leadership and community building through its various programs and activities.
- Energy Action Coalition is a coalition of more than 40 organizations from across the US and Canada, founded and led by youth to help support and strengthen the student and youth clean energy movement in North America.

NOTES TO FINANCIAL STATEMENTS December 31, 2007

- 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.
- **Fiji Organic Project** is leading the effort to shift agricultural production in Fiji to organic growing methods, particularly in the sugar cane industry.
- Green Café Network~ (formerly Paradigm Café Network) is dedicated to addressing America's over-consumption by reducing the ecological impacts of the coffeehouse industry and harnessing café culture for environmental education.
- 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) supports a decentralized approach to water and wastewater management. In contrast to the big pipe mentality, HN emphasizes approaches that foster local solutions to critical water issues.
- 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 works is to ensure ecological management of our National Forests by ending the federal timber sales program and eliminating its system of perverse economic and political incentives that undermine science and threaten native wildlife and forest ecosystems.
- Kids for the Bay (formerly Estuary Action Challenge) partners with 4,000 students and 200 teachers in low-income elementary schools in Alameda and Contra Costa counties each year to inspire environmental consciousness and cultivate a love of learning through our seven environmental education programs.
- Ma'at Youth Academy** works to improve public and environmental health in urban areas by developing and modeling multicultural environmental education,

NOTES TO FINANCIAL STATEMENTS December 31, 2007

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 is San Francisco's first and only organization wholly dedicated to
 ecological conservation, restoration and stewardship of the Franciscan bioregion. Our
 strategies/program areas are public education, community organizing & stewardship,
 conservation advocacy & policy, and collaboration.
- Red Panda Network (formerly Red Panda Project) is focused on conducting community-based conservation through education, monitoring and sustainable development. We are focused on grassroots species conservation focusing on the ambassador for the Eastern Himalaya, red panda.
- Reef Protection International educates the public about the marine aquarium trade and promotes consumer behavior that enhances coral reef conservation internationally.
- 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.
- Safe Food and Fertilizer seeks to ban the use of hazardous and other industrial wastes in fertilizer, soil amendments, and animal feeds due to of their potential risk to human health and the environment.
- 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.

NOTES TO FINANCIAL STATEMENTS December 31, 2007

- South Coast Habitat Restoration~ works to manage habitat protection, conservation, restoration and outreach projects in the Santa Barbara and Ventura region.
- Sustainable Watershed Alliance (formerly Alliance for a Clean Waterfront) is a coalition of 28 organizations that works to reform the way San Francisco perceives and handles its water resources.
- Sustainable World Coalition (formerly World Sustainability Hearings) is a research and education organization, with the purpose of educating the general public about the essential condition of the planet and the best solutions—individually and collectively—for creating a peaceful human society and a healthy environment.
- **Tibetan Plateau Project** promotes biodiversity conservation and sustainable development of local communities in the Tibetan Plateau region.
- 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.
- Viva Sierra Gorda (formerly Friends of Sierra Gorda) is a support organization to a
 coalition of local organizations working together for a high impact public—private
 partnership to guarantee long-term sustainability in a sacred and priority natural
 sanctuary, the Sierra Gorda Biosphere Reserve, Mexico.
- 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.
- WildeBeat is an audio journal like a radio news magazine presenting news and features to help you explore and appreciate America's wild public lands. Each week, we publish a 10-minute documentary piece about wild places you can visit, outings you can join, or skills and gear you'll need.
- WildFutures (formerly the Wildlife Network) provides essential tools and trainings for wildlife and habitat groups as well as other conservation organizations. Through facilitation, trainings, campaign planning assistance and other services, WildFutures helps organizations, coalitions, and individuals advance their conservation goals.
- Women's Earth Alliance~ strengthens and unites grassroots women-led environmental initiatives around the world. WEA's mission is to unite grassroots women environmental advocates around the world and to provide the connections,

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resources and training they need to enact effective, lasting change in their communities.

- 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 2007.

^{**}These projects separated from Earth Island during the fiscal year 2007.

[~]These projects were new to Earth Island in fiscal year 2007.