



THE SIERRA FUND

2008
ORGANIZATIONAL
REPORT



From the Desk of
Elizabeth J. Martin, CEO

2008 marks The Sierra Fund's transition from a "start-up" community foundation to a mature organization, effective in advancing our goals and strong enough to support our partners in our mission to Save the Sierra. We made significant investments in some exciting legal victories, and brought new public and private funding to the region. Our Mining Toxins Initiative is creating impact in both Sacramento and Washington, DC.

Today, as many conservation organizations in the Sierra are barely surviving the economic and budget crisis, The Sierra Fund is serving our partners by providing bridge funding to help weather this storm.

Our donors and supporters have made this leap forward possible.

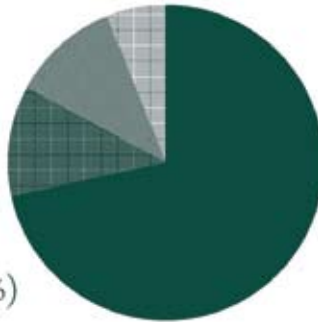
We thank you for your help in our work to increase and organize public and private investment in protecting the people and places that make the Sierra Nevada so special.

Elizabeth J. Martin

FINANCIAL REVIEW 2008

Income \$645,372

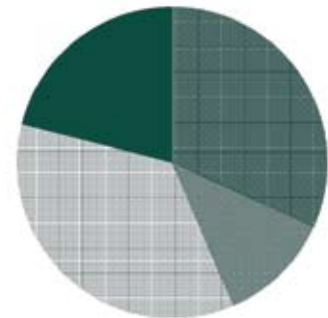
- Contributions: Grants 82%
- Contributions: Major Donors 12%
- Investment Income 13%
- Unrealized Investment Gain/Loss (7%)



Assets Under Management

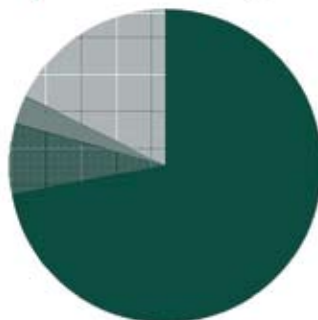
\$677,163

- Operating & Program - Unrestricted 32%
- Operating & Program - Reserve 12%
- Funds & Managed Accounts 35%
- Accounts Receivable 21%



Expenses \$517,375

- Program Expenses 72%
- Management & General 7%
- Fundraising 3%
- Grants 18%



NOTEWORTHY PRAISE

At our annual reception, The Sierra Fund Board of Directors honored retired Assemblyman John Laird (D-Santa Cruz), former Chair of the Assembly Budget Committee and one of the authors of the successful Sierra Nevada Conservancy legislation, for his outstanding and staunch defense of the Sierra Nevada.



SPECIAL THANKS TO OUR DONORS

\$100,000+

The California Endowment
The California Wellness Foundation

\$50,000-\$99,999

Richard & Rhoda Goldman Fund

\$10,000-\$49,999

Butler Family Foundation
Alan & Cledith Jennings
True North Foundation

\$5,000-\$9,999

California Council for Humanities
Armrod Charitable Foundation
Barbara & Gerald Meral
Pacific Gas and Electric

\$1,000-\$4,999

The Abandoned Mine Alliance
Astrov
Patty & John Brissenden
Flower Essence Services
Judith A. Funk
Mary Nichols & John Daum
Mari C. Omland & Laura Olsen
George Sardina, MD
Sorensen's Resort
Fred & Shirley Switzer
Wells Fargo Foundation

\$250-\$999

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Olivia Diaz & Dr. Ernest Malamud
Robert & Kathleen Forslund
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Julia & Christopher Grimsrud

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BJ Kirwan
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Stephanie Mooers
Teri Olle & John Comerford
Doug Phelps
Jeff & Kristil Robarts
Ursack, Inc.
Washoe Tribe

\$10-\$249

Alpine Watershed Group
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Kristen & Robert Beazley
Robert & Carol Berman
Fabian & Stephanie Biagetti
Charles & Mary Brock
Marc R. Burgraff & Simone Malboeuf
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Kayle Martin
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Gwyn & Mike McColl
Sylvia C. McLaughlin
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Janet Mooers
Kerry Morse
Mountain Meadows Conservancy
Rochelle Nason
Jessie Notch-LeBlanc
Matthew O'Grady & Steve Vanlandingham
Donald & Mary Ann Parachini
Gary A. Patton
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Dr. John C. Weaver Jr.
Wendy Wendlandt
Pamela & David Wiggert
Cameron & Frances Wolfe

STRATEGIC CAMPAIGNS

Bringing attention and resources to the special needs of the Sierra

Over the last several years The Sierra Fund has conducted two strategic campaigns: launching our Sierra Nevada Legacy Mining Toxins Initiative; and helping establish sustainable funding for the Sierra Nevada Conservancy.

Mining's Toxic Legacy Initiative

Thinking big, working locally is a good way to describe 2008's Mining Initiative. Our community organizer traveled thousands of miles in the vast project area, planting information about the impacts of legacy toxins with people from a wide variety of cultures, occupations, and background. We worked with officials throughout the political landscape to improve policy and regulations. We have identified important gaps in the wide range of scientific data available, and strategies to fill them.

In March we released our *Mining's Toxic Legacy* report, the first comprehensive look at the cultural, environmental and human health effects of the Gold Rush ever published. The recommendations for action from this report provide the framework for decades of important work to successfully assess and address mining toxins in the Sierra Nevada.

This broad view has produced remarkable results. Since the report's publication, more than 1,000 people have attended our public events. State and Federal funding addressing legacy mining is now available, in response to our advocacy. And with our support the Department of Toxic Substances Control has received funding to study the "bioavailability" of arsenic in Sierra soils, a key research recommendation from the report.

This work has been generously supported by grants from the Richard & Rhoda Goldman Fund, The California Endowment, The California Wellness Foundation, Rose Foundation for Communities and the Environment, and True North Foundation.



"The Sierra Fund has been the leader in bringing together the traditional people of the Sierra with the new inhabitants of this region to find solutions to our mutual problems, especially by addressing the lasting environmental and cultural impacts of the California Gold Rush."

Don Ryberg, Chair, Tsi-Akjm Maidu Tribe

Sustainable Funding for the Sierra Nevada Conservancy

Since 2005, The Sierra Fund has led the effort to create a sustainable funding stream for the Sierra Nevada Conservancy (SNC) through the development of a Sierra Nevada Specialty License Plate. Over the last year The Sierra Fund has developed a Marketing Plan for the Campaign, and worked with the SNC Board to design and gain approval from the DMV for a license plate design, including approval of the official License Plate Registration Brochure. We have convened an "Action Team" meeting of fellow Sierra conservation leaders to launch this campaign in 2009.

This work has been funded by our donors, Sierra Nevada Brewing Co., Sorensen's Resort, Mad Wills Food, and PG&E.



Visit www.sierralicenseplate.org for more info and to pre-register for your plate!

ADVOCACY

A voice for new State and Federal investment in the Sierra

The Sierra Fund is a regular presence in the State Capitol, working with Senate and Assembly committees that oversee natural resource management.

State Hearings on Legacy Mining

A benchmark for The Sierra Fund's efforts to raise statewide awareness on legacy mining toxins, three California State Assembly committees - the Water, Parks and Wildlife Committee, Natural Resources Committee, and Environmental Safety and Toxic Materials Committee - held the first-ever hearing on the long term impacts of the Gold Rush on public lands in March, in conjunction with the release of our report.

Sierra Day in the Capitol

In May The Sierra Fund and Sierra Nevada Alliance sponsored our seventh annual Sierra Day in the Capitol bringing citizen advocates from all over the state to present Sierra issues in every legislative office. We highlighted funding needs in the Sierra with a packet of ready-to-go project profiles, and supported full funding for the Sierra Nevada Conservancy, which was later adopted.

"All Californians should take note of The Sierra Fund's findings. This issue affects the fish we eat, the water we drink, and the air we breathe. And we are just beginning to appreciate the magnitude of the problem. The joint hearing in March lay the groundwork for that effort."

Senator Lois Wolk, who chaired the Assembly Water, Parks, and Wildlife Committee at the time of the hearing

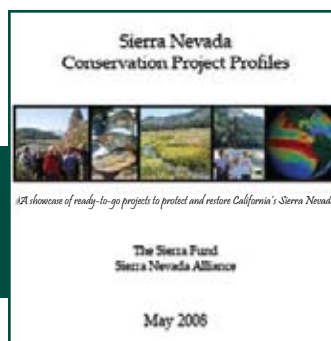


Suction Dredge Regulation

Changing the laws governing the use of in-stream suction dredges for gold mining has been a top priority over the last year. Suction dredging mobilizes legacy mercury, potentially affecting human and environmental health. The Sierra Fund has been working closely with the Karuk Tribe, California Trout and Friends of the North Fork American River to require a full environmental impact review of dredging, with the goal of creating new environmentally sound regulations governing this activity.

Stimulus Money for Mine Cleanup

Over the course of 2008, The Sierra Fund maintained contact with the office of US Senator Feinstein, who subsequently introduced \$105 million for abandoned mine cleanup into the recently-passed American Recovery and Reinvestment Act. This funding is a great opportunity to create "green" jobs for rural Sierra communities to improve California's water quality while protecting community health.



PHILANTHROPIC SERVICES

Assisting private donors to implement their vision and save the Sierra

Our philanthropic services program has invested funds and technical support in organizations tackling climate change, land use, development, and public access. We have distributed nearly \$1.6 million in grants and loans to organizations committed to the future of the Sierra since we were established in 2001.

Our capacity as a community foundation has increased over the last year, partly due to our increasing role as a fiscal sponsor or financial partner with key Sierra organizations. We also provide loans or grants for special projects.

Sponsoring Projects

We have provided a fiscal vehicle for several outstanding projects, including:

Saving The Sierra, Voices of Conservation in Action: Two years in the making, this beautifully designed regional media project culminated this year in an hour-long public radio program that was broadcast statewide.

Yuba River Wildlife Area, Priority Acquisition Project Phase I & II: This project is an historic opportunity to acquire high priority conservation targets in the Yuba River Wildlife Area.

Assessing and Restoring the Deer Creek Watershed: The Tsi-Akim Maidu Tribe and Friends of Deer Creek are working together to infuse local watershed restoration work with cultural and historic sensitivity.

Calling Back the Salmon: This annual event, sponsored by the Tsi-Akim Maidu Tribe and numerous local organizations, includes a traditional ceremonial salmon hunt and run, speakers, and community education.

"The Sierra Fund plays a critical role in securing resources for the region. Their ability to attract contributions and apply them to the local level provides important support to our conservation campaigns."

*Tom Mooers, Executive Director,
Sierra Watch*

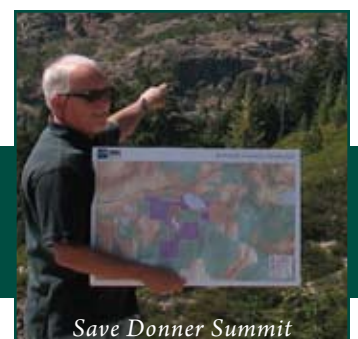
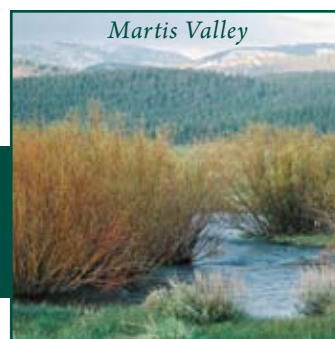


Providing Litigation Loans

We have provided loans for organizations challenging poor land use decisions throughout the Sierra. Last year we lent or recovered funds for successful lawsuits in Sierra, Yuba, Plumas and Inyo County. When successful, we recover and can "recycle" some or all of these expenses.

Awarding Grants to Conservation Activities

In 2008 The Sierra Fund authorized a total of \$231,088 in grants and loans from several different fund accounts.

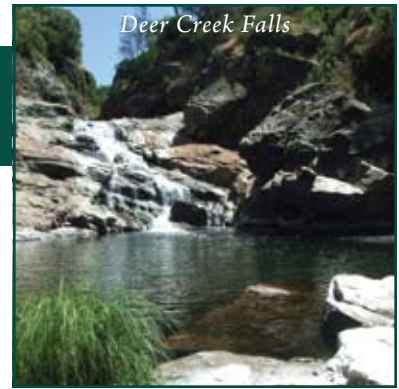


GRANTS & LOANS MADE IN 2008

ISIS Fund Grants: \$33,407.61

Funds for this account are raised from various individual or philanthropic sources, and given out as grants to organizations in the Sierra, as part of our overall philanthropic mission.

Citizens Looking At Impacts of Mining (CLAIM): \$5,000
Friends of Deer Creek: \$10,000
Sierra Institute for Community and the Environment: \$2,000
Sierra Nevada Alliance: \$1,000
Tsi-Akim Maidu Tribe: \$15,307.61
UTU Social Ventures: \$100



Deer Creek Falls

Donor-Advised Grants (ISIS related): \$28,086.60

Grants from these funds are directed by individual donors toward activities in the Sierra. At this time The Sierra Fund has eight donor advised funds.

American Land Conservancy: \$1,000
California Trout: \$1,000
Ebbetts Pass Forest Watch: \$2,000
Friends of Spenceville: \$2,238.78
Mountain Meadows Conservancy: \$1,147.82
Planning and Conservation League: \$1,000
Restore Hetch Hetchy: \$1,000
Sierra Nevada Alliance: \$2,500
Sierra Watch: \$10,000
Sustainable Conservation: \$200
Tahoe Rim Trail Association: \$1,000
Tuolumne River Preservation Trust: \$5,000



California Trout researchers

Donor-Advised Grants (general interest): \$32,000

Donor advised funds that reflect donor interests in activities outside of the Sierra geographic region.

Center for Biological Diversity: \$1,000
Community Foundation of Santa Cruz County: \$2,500
Earthjustice: \$1,000
Environmental Action Committee of West Marin: \$2,000
Green Corps: \$6,000
Habitat for Humanity: \$1,000
Land Trust of Santa Cruz County: \$2,500
Madre: \$1,000
Maine Conservation Voters Education Fund: \$2,000
Monterey Bay Aquarium: \$1,000
The Panetta Institute: \$1,000
Save the Redwoods League: \$1,000
University of California Botanical Garden: \$10,000



Maidu Bark House

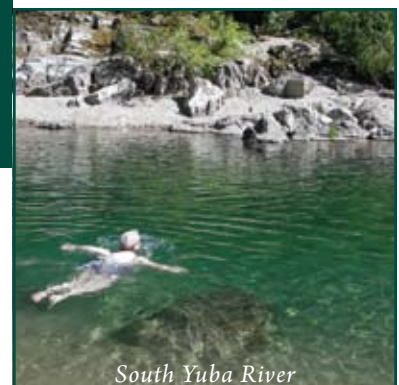
Program-Related Investments: \$137,594.08

These funds are loaned to organizations for various purposes, including providing cash flow loans to organizations with reimbursable government grants, or as recoverable loans to organizations that are engaged in impact litigation. Litigation loans are repaid if the suit is successful and legal fees are collected, and are forgiven as grants if the case is not successful. Thus far all our litigation loans have been repaid after winning the legal case.

Bridge Loans: Tsi-Akim Maidu Tribe: \$4,236.75
Litigation Loans: High Sierra Rural Alliance: \$15,000
Fiscal Sponsor of Sierra Nevada Conservancy Project Cash-flow: \$41,838.44
Deer Creek Project: \$23,762.18
Yuba River Project: \$18,076.26
Line of Credit: Friends of Deer Creek: \$76,518.89



High Sierra Rural Alliance



South Yuba River

Thank you to Val Atkinson (www.valatkinson.com), Friends of Deer Creek, Rick Humphreys, Bob Lichter, Hank Meals, Maureen Meikle, Carrie Monohan, Kerry Morse, Michael Ben Ortiz, Emily Rivenes, and Sierra Watch, for use of their photos in this report.



As an innovative community foundation for the environment, The Sierra Fund partners with private donors and public agencies to increase and organize investment in the land, air, water and human resources of the Sierra Nevada.



We work toward our mission using three basic methods:

Strategic Campaigns designed to bring attention and resources to the special needs of the Sierra Nevada.

Advocacy at the State and Federal level for public investment in the Sierra Nevada.

Philanthropic Services for our donors and partners to design and implement initiatives that reflect their vision and objectives.

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Printed on 100% recycled paper

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