



# 2014 S.L. Gimbel Foundation Fund Grant Application-International

Internal Use Only:  
Grant: 20140311

\$50,000

## Organization / Agency Information

<i>Organization/Agency Name:</i> The Nature Conservancy <u>18133</u>		
<i>Physical Address:</i> 201 Mission Street, 4 <sup>th</sup> Floor City/State/Zip San Francisco, CA 94105		
<i>Mailing Address:</i> 201 Mission Street, 4 <sup>th</sup> Floor City/State/Zip San Francisco, CA 94105		
<i>CEO or Director:</i> Mike Sweeney Title: Executive Director, California Chapter		
<i>Phone:</i> 415-777-0487	<i>Fax:</i> (415) 777-0244	<i>Email:</i> Please contact Julie Bondi
<i>Contact Person:</i> Julie Bondi Title: Associate Director of Philanthropy		
<i>Phone:</i> 949-244-2748	<i>Fax:</i> NA	<i>Email:</i> jbondi@tnc.org
<i>Web Site Address:</i> www.nature.org		<i>Tax ID:</i> 53-0242652

## Program / Grant Information

Interest Area:  Health  Hunger  Environmental Protection  Human Dignity

<i>Program / Project Name:</i> Chiapas Ecosystem-based Adaptation Project		
<i>Amount of Grant Requested:</i> <u>\$50,000</u>	<i>Total Organization Budget:</i> \$579,800,000	<i>Percentage of Organization's Total Budget used for Administration:</i> (please see essential explanation - addendum A) 28%
<i>Purpose of Grant Request (one sentence):</i> The goal of the project is to train 80 ranchers in 10 communities in the El Tablon watershed to implement improved cattle ranching practices, enhance social and environmental resiliency to climate variability, improve the health of forests and improve the well-being of communities.		
<i>Gimbel Grants Received: List Year(s) and Award Amount(s)</i> 2008: \$60,000; 2009: \$50,000; 2010: \$40,000; 2011: \$75,000; 2013: \$25,000		

## Signatures

<i>Board President / Chair: (Print name and Title)</i> WENDY PULLING, Director of Conservation Programs	<i>Signature:</i> 	<i>Date:</i> 3/27/14
<i>Executive Director/President: (Print name and Title)</i> WENDY PULLING, Director of Conservation Programs	<i>Signature:</i> 	<i>Date:</i> 3/27/14

WENDY PULLING, signing on behalf of MIKE SWEENEY, Executive Director of the California chapter, with legal signing authority for the Board of Trustees in California.



# 2014 S.L. Gimbel Foundation Fund Application Narrative

## **I. Organization Background and Target Population**

- A. The Nature Conservancy is the leading conservation organization working worldwide to protect the ecologically important lands and waters on which all life depends. We address the most pressing conservation threats at the largest scale. With the support of more than one million members, we've built a tremendous record of success since our founding in 1951: protection of more than 119 million acres of land and thousands of miles of rivers worldwide, and we are currently engaged in more than 100 marine conservation projects globally. We work in all 50 states and more than 35 countries. In Mexico, the Conservancy has worked for more than 25 years in partnership with conservation organizations, government agencies, academic institutions, and communities to protect Mexico's critically threatened lands and waters in order to safeguard nature and the livelihoods of local communities.

In 1986, The Nature Conservancy began working in Mexico recognizing important opportunities existed to facilitate cross-border cooperation. Today, our expanded work in Mexico includes collaboration with 36 partnering non-governmental organizations and with the public sector. We have achieved dramatic results, including the protection of 24 million acres in terrestrial and marine parks, and nearly 1.4 million acres in private reserves; quadrupling the federal annual budget for protected areas; training more than 500 conservation leaders; and investing more than \$60 million in conservation.

- B. In the past three years, and with the 2012 S. L. Gimbel Foundation support, we trained 1,670 people in sustainable agriculture techniques and reforested 1,300 acres with pine trees as a strategy to stabilize hillsides and protect land from erosion. Two communities, Monterrey and Plan de la Libertad, designated 3,700 acres for conservation and implemented sustainable agricultural activities.
- C. The Conservancy's key programs and activities in Mexico and northern Central America work to protect vital ecosystems while also promoting conservation-friendly economic development. The priority geographies include: the Maya Forest, the Mesoamerican Forest Corridor, the Gulf of California, and the Mesoamerican Reef. Our target population is vulnerable communities living in rural areas of high ecological value, where food security, water security and human lives are at risk.

The Mesoamerican Forest Corridor is comprised of the majestic forests spanning the mountain ranges of Chiapas in southern Mexico, Guatemala, and Honduras; these forests have provided sustenance for people and wildlife for centuries. The Nature Conservancy is working with local communities and municipalities in Chiapas to prevent degradation in critical lands, and to protect communities from disastrous floods and mudslides, by developing better watershed management strategies, restoring natural vegetation, and promoting more sustainable uses of natural resources.

## **II. Project Information**

- A. The Nature Conservancy respectfully requests funding to address the principle threat to the natural and human communities in the El Tablón watershed of Chiapas – land conversion. Clearing land for extensive cattle ranches and subsistence crops is the primary driver of deforestation in the region, leaving little protection against soil erosion, hurricanes, or the torrential rainstorms common during the rainy season. The livelihoods of rural populations are threatened, infrastructure damaged, and natural resources imperiled due to land conversion.

Currently ranchers are using unsustainable production practices, which diminish the region's natural capital. Negative impacts such as erosion, soil degradation, landslides, and degraded pastures are weakening the diversity and resiliency of the region's ecosystems and creating a

fragmented natural landscape. Ranchers are cutting trees in favor of pastures, believing that more pastures will increase cattle productivity, but in fact without trees animals are suffering. Without shade, cattle suffer from heat stress, which decreases their milk and protein production. These stressful conditions are exacerbated during the dry season, when pastures are not abundant, and livestock dies due to scarce nourishment. Ranchers' response to this situation has been to let the cows go into the forest to forage, thus exerting tremendous pressure on the forests. Unsustainable ranching practices threaten the livelihoods of rural populations and imperil the natural resources they depend on.

Thanks to the support of donors such as the S. L. Gimbel Foundation, the Conservancy is progressing towards its goal of reducing the region's vulnerability to climate change and increasing natural and social resiliency in Chiapas. The Foundation's first generous donation in 2012 allowed the Conservancy to work in two watersheds where communities were trained in improved agricultural techniques.

- B. This proposal focuses on a third watershed, El Tablón. The goal of the project is to train 80 ranchers in ten communities of El Tablón to implement improved cattle ranching practices. The approximate surface of land that will benefit directly from this project is around 7,900 acres. These practices will enhance social and environmental resiliency to climate variability, improve the health of forests, and improve the well-being of communities. In order to reach 80 ranchers, a "train the trainer" approach will be used in order to most efficiently disseminate best practices. Each "trainer" will use their ranch as a learning center for its neighbors; techniques implemented will serve as proof of concepts so neighbors can witness the results and replicate the activities.

Objective I: Sustainable Production – Ranchers of local communities will be trained in sustainable cattle ranching methods, including making agreements to avoid the use of fire and chemical herbicides as means to clear forested land.

Activities: Three training events will be developed with at least ten ranchers, followed by at least one knowledge exchange with a neighboring watershed community. Training events will be held quarterly. During the last quarter of the year, a knowledge exchange experience will take place: ranchers from El Tablón will visit communities in the coast of Chiapas to learn what successful production techniques are used there.

Objective II: Climate change adaptation – Local ranchers will learn storage techniques to feed cattle during dry season, helping to reduce the amount of cleared forested land to feed animals.

Activities: Ranchers will have land use plans in place dividing the land into cattle free zones, foliage trees, pasture zones (to produce and store food for cattle), and grazing zones. Ranchers will agree to devote cattle free zones to forest conservation. It is estimated that 4,447 acres belonging to different ranches will be dedicated to conservation. Approximately 20 agreements will be obtained each quarter with different ranchers.

Objective III: Watershed Protection – Cattle ranchers will restore critical degraded land in order to diminish erosion and loss of soil.

Activities: The ejido (community) called "California" will be the first to start soil and water conservation activities with nine ranchers actively participating. During the first two quarters of the year, priority sites will be identified and soil conservation activities will begin. Conservation activities will continue until the end of the third quarter. At the end of the third quarter, results will be evaluated and used to generate a report.

The project timeline is from January 1 - December 30, 2014 and includes the following targets:

Quarter 1 – One training event for twelve participants on sustainable cattle ranching methods; 20 land use plan agreements including acres devoted to conservation; identification of priority sites for soil conservation activities to protect the watershed in the California ejido/community.

Quarter 2 – One training event for twelve participants on sustainable cattle ranching methods; 20 land use plan agreements including acres devoted to conservation; one training event for nine ranchers of California community and commencement of soil conservation activities to protect watershed.

Quarter 3 – one training event for twelve participants on sustainable livestock, climate change adaptation and ecosystem services; 20 land use plan agreements including acres devoted to conservation; knowledge exchange visit for at least ten participants (one per each ejido/community).

Quarter 4 – One training event for twelve participants on sustainable cattle ranching methods; 20 land use plan agreements including acres devoted to conservation; develop report on soil conservation activities to protect watershed.

The work funded by the S. L. Gimbel Foundation will serve ten communities that live in El Tablón watershed, equivalent to 3,839 people (1,850 women and 1,989 men). Twelve ranchers will be trained as trainers representing the ten ejido/communities. The twelve trainers will in turn train other ranchers in the community to reach a total of 80 ranchers who own approximately 2,400 livestock.

This project is part of a bigger initiative, “Innovative mechanisms for the implementation of a cooperation project focused on climate change adaptation in Sierra Madre and Coastal Chiapas,” enabled by the German federal environment ministry’s International Climate Initiative (ICI). A key partner for El Tablón project is a local NGO – Espacios Naturales Desarrollo Sustentable (ENDESU). Another key partner that works in the region and will support the process is the Agronomical Tropical Center for Research and Teaching (CATIE in Spanish), they will contribute with evaluations and its students will participate in the projects, as interns.

Community - Ejido	Ranchers trained
Los Ángeles	13
Tres Picos	10
California	9
Flores Magón	10
Tierra y Libertad	11
Josefa Ortiz de Dominguez	8
Villahermosa	4
Los Laureles	5
Nueva Esperanza	3
Viva Chiapas	7
<b>TOTAL</b>	<b>80</b>

- C. The most important anticipated outcome related to the implementation of improved sustainable cattle ranching methods is protecting the region’s natural capital. Forest friendly practices will reduce erosion, soil degradation, and landslides. The foliage trees and pasture storage techniques will increase the forage quality increasing cattle’s productivity. Both the environmental and social resiliency of El Tablón will be increased and livelihoods will be protected.

We will realize expected outcomes through the number of written agreements signed with ranchers where they commit to use their land sustainably, liberating land from grazing and devoting it to conservation. We expect to obtain at least 70 land-use plans agreements, making 6,500 acres available for conservation. Together with the Conservancy’s local partners, we will produce a progress report every four months to measure progress.

- D. Funds provided by the S. L. Gimbel Foundation will leverage funds from the German federal environment ministry’s International Climate Initiative (ICI) grant, which will be used to partially cover project costs including monitoring activities and visits to El Tablón, implementation of trainings, basic office supplies, and implementation of activities together

with our local partner ENDESU, and the salaries of Conservancy staff directly involved in El Tablón project.

### III. Project Future

The project will continue after the performance period through continued trainings, and dissemination of best practices will continue in the region using funds from La Sepultura Biosphere Reserve. The continued trainings will focus on sustainable alternative production methods. The goal is to generate income for the communities with the lowest impact on the forest environment.

### IV. Governance, Executive Leadership, and Key Personnel/Staff Qualifications

A. To achieve the Conservancy's place-based mission, the Board of Directors has established chapters of The Nature Conservancy at the state and country level. Each state and country program is run by a director who manages the program's annual plan and budget in support of the Conservancy's mission and goals. State and country directors are managed through clear reporting channels back to the president and, through the president's office, to the Board of Directors. All U.S. state and several country programs are advised and assisted by volunteer Boards of Trustees. The Boards of Trustees advise chapters on strategic issues, assist in setting goals, and importantly, subject the chapter's work to additional critical thinking.

#### B. Key project personnel

**Alejandro Martinez, Conservation Manager, Mexico and Northern Central America Conservation Program.** Mr. Martinez's conservation career began in 2004 as a Conservation Specialist with the Conservancy's Missouri chapter. Prior to The Nature Conservancy, Mr. Martinez's professional experience was in international business in Latin America. From 2005 to 2009, he held the position of *Belize Country Program Director* for The Nature Conservancy. Posted in the Belize office, Mr. Martinez also serves as the Conservancy's country representative to Belize and leads the *Belize Reefs for Life* project targeting the financial sustainability of marine conservation at the national scale. He holds a B.S. in Physics from Denison University, Ohio, and a M.S. in Engineering and Public Policy from Washington University in Missouri. He has also completed master level certificates in International Affairs and in Tropical Biology in Conservation.

**Alejandro Hernández, Mesoamerican Forest Corridor – Manager, Mexico and Northern Central America Conservation Program.** Mr. Hernández joined the Conservancy in June 2011. Since joining, he has worked in Chiapas coordinating different initiatives to reduce and prevent degradation in critical lands. He was recently appointed as the general manager for the Mesoamerican Forest Corridor supervising conservation efforts in Guatemala, Honduras, and Chiapas in Mexico. Before joining The Nature Conservancy, Mr. Hernández worked in El Triunfo Biosphere Reserve in the Sierra Madre, the mountain range along Chiapas' Pacific coastline. He was the director of the reserve for almost eight years. Mr. Hernández holds a B.S. in Biology from Universidad Veracruzana.

**Manuel Morales, Mesoamerican Forest Corridor - Forest Specialist, Mexico and Northern Central America Conservation Program.** Mr. Morales joined the Conservancy in 2005. Since joining, he has coordinated watershed management projects as well as climate change adaptation initiatives in Chiapas. Previously, Mr. Morales worked for five years at El Triunfo Biosphere Reserve, first as technical staff of the reserve and then for Conservation International in a project related to sustainable coffee production. Mr. Morales holds a B.S. in Biology from Mexico's Autonomous Metropolitan University.

## 2014 S.L. Gimbel Foundation APPLICATION

### V. Project Budget

Line Item Description	Line Item Explanation (Formula/equation used as applicable. Example: 40 books @ \$100 each = \$4000)	Support From Your Agency	Support From Other Funders	Requested Amount From TCF	Line Item Total of Project
Salaries	Salaries of TNC Chiapas Forest Specialist and Chiapas conservation Assistant		104,000	20,000	124,000
Contracts	Sub-contract to ENDESU, for implementation activities with El Tablón ranchers		20,500	25,000	45,500
Travel	Various trips within the region and to relevant meetings.		24,000	1,900	25,900
Office supplies	Supplies for project		5,000	1,100	6,100
Training	Training in local communities on alternative production methods		15,400	2,000	17,400
<b>TOTALS:</b>			168,900	50,000	218,900

### VI. Sources of Funding:

Please list your current sources of funding and amounts.

#### *Secured/Awarded*

Name of Funder: Foundation, Corporation, Government	Amount
German federal environment ministry's International Climate Initiative (ICI)	168,900 USD

#### *Pending*

Name of Funder: Foundation, Corporation, Government	Amount	Decision Date



**VII. Financial Analysis**

**Agency Name:** The Nature Conservancy

**Most Current Fiscal Year (Dates):** From July 1, 2013 To: June 30, 2014

This section presents an overview of an applicant organization’s financial health and will be reviewed along with the grant proposal. Provide all the information requested on your entire organization. Include any notes that may explain any extraordinary circumstances. Information should be taken from your most recent 990 and audit. Double Check your figures!

**Program to Total Expenses Ratio:** Percentage of expenses used to support programming versus how much is spent for general management and fundraising. A general rule is that at least 75 percent of total expenses should be used to support programs – the higher the percentage the better.

<b>Program Expenses</b>	<b>/Total Operating Expenses</b>	<b>= Program Expense Ratio</b>
\$542,168,978	\$752,216,964	72%

990: Part IX, Column B, Line 25      990: Part IX, Column A, Line 25

*w/ FR = 84%*

<b>Administrative Expense (100%-Program Expense ratio) per 990 above</b>	<b>Percentage of Organization’s Current Total Budget used for Administration (from cover page)</b>	<b>Differential</b>
28%	28%	0

If the differential is above (+) or below (-) 10%, provide an explanation:

*Admin*      *w/ FUNDRAISING = 16%*

**Quick Ratio:** Measures the level of liquidity and measures only current assets that can be quickly turned to cash. A generally standard Quick Ratio equals 1 or more.

<b>Cash</b>	<b>+ Accounts Receivables</b>	<b>/Current Liabilities</b>	<b>= Quick Ratio</b>
\$107,718,485	\$1,681,727	\$213,612,295	0.51

**Excess or Deficit for the Year:**

<b>Excess or (Deficit) Most recent fiscal year end</b>	<b>Excess or (Deficit) Prior fiscal year end</b>
\$106,916,879	\$192,725,492

**Notes:**

**Diversity of Funding Sources:** A financially healthy organization should have a diverse mix of funding sources. Complete those categories that apply to your organization using figures from your most recent fiscal year.

<b>Funding Source</b>	<b>Amount</b>	<b>% of Total Revenue</b>	<b>Funding Source</b>	<b>Amount</b>	<b>% of Total Revenue</b>
Contributions	\$498,428,064	58%	Program Fees	\$183,578,557	21.4%
Fundraising/Special Events	\$1,580,668	0.2%	Interest Income	\$54,258,421	6.3%
Corp/Foundation Grants	See note below <sup>1</sup>		Other:	\$10,530,218	1.2%
Government Grants	\$110,757,915	12.9%	Other:	NA	NA

<sup>1</sup> We do not split out Corp/Foundation Grants separately from Contributions



**Proposal for Funding to the S. L. Gimbel Foundation**  
**Presented by The Nature Conservancy, California**  
**March 31, 2014**

**Addendum A – Essential Explanation of Administration Expenses**

With the understanding that the S. L. Gimbel Foundation gives priority consideration to nonprofit applicants who maintain a 20% or less in administrative costs, it is important to explain The Nature Conservancy's programmatic efficiency rating and how the rating is different than other nonprofits.

Every year the Conservancy reports on its programmatic efficiency, which is a standard used to assess whether a charity spends a significant percentage of its funds on the purpose for which the charity was created. In the Conservancy's case, programmatic efficiency is a figure that represents the percentage of total expenditures used for conservation work versus administration and fundraising costs.

The programmatic efficiency calculation method for the Conservancy varies from other nonprofits because we are one of the few nonprofits that buys significant assets (in our case land) in order to accomplish our mission. We include purchases of land in our calculation of conservation expenses.

Purchases of land fluctuate from year to year, which causes annual variations in the amount contributed to programmatic expenses. For FY13, the variations in spending, due to decreases in land purchases and sales, were heavily affected by decreased conservation spending by local, state, and federal governments. The Nature Conservancy relies on public monies for much of its conservation lands acquisition. Because we are a financially responsible organization, when governments deferred spending on conservation and land acquisitions, we also reduced our spending in order to manage our budgets well.

While the exact program efficiency percentage will vary from year to year based on the level of land acquisition, the Conservancy continues to operate well above the recommended minimum program efficiency ratios of all three charity watchdog groups: Better Business Bureau Wise Giving Alliance Standards for Charity Accountability, Charity Watch, and Harris Interactive.

## CEO and CFO

**President and Chief Executive Officer**

**Mark R. Tercek**

The Nature Conservancy  
Arlington, Virginia

**Chief Financial Officer**

**Stephen Howell**

The Nature Conservancy  
Arlington, Virginia

## Board of Directors

**Board Chairman**

**Craig O. McCaw**

Chairman & CEO, Eagle River Inc.  
Santa Barbara, California  
*Term: October 2010 – October 2019*

**President and Chief Executive Officer**

**Mark R. Tercek**

The Nature Conservancy  
Arlington, Virginia  
*Term: July 2008 – Present*

**Vice Chair**

**James E. Rogers**

Chairman, President and CEO  
Duke Energy  
Charlotte, North Carolina  
*Term: February 2012 – October 2021*

**Treasurer**

**Muneer A. Satter**

Chairman  
Satter Investment Management, LLC  
Chicago, Illinois  
*Term: January 2006 – October 2015*

**Secretary**

**Frank E. Loy**

Former Undersecretary of State for Global Affairs  
United States Government  
Washington, DC  
*Term: October 2006 – October 2015*

## Members

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### **Teresa Beck**

Former President, American Stores Co.  
Salt Lake City, Utah

*Term: January 2006 – October 2015*

### **David Blood**

Senior Partner  
Generation Investment Management  
London, U.K.

*Term: August 2010 – October 2019*

### **Shona L. Brown**

Googler Emeritus  
Google Inc.  
Palo Alto, California

*Term: February 2011 – October 2020*

### **Gretchen C. Daily\***

Department of Biological Sciences  
Stanford University  
Stanford, California

*Term: April 2006 – October 2015*

### **Steven A. Denning**

Chairman, General Atlantic LLC  
Greenwich, Connecticut

*Term: November 2007 – October 2017*

### **Joseph H. Gleberman**

Advisory Director  
Goldman Sachs & Co.  
New York, New York

*Term: December 2012- October 2022*

### **Jeremy Grantham**

Co-founder and Chief Investment Strategist  
Grantham, Mayo, Van Otterloo & Co.  
(GMO)

Boston, Massachusetts

*Term: February 2012 – October 2021*

### **Jack Ma**

Lead Founder, Chairman and CEO  
Alibaba Group  
Hangzhou, China

*Term: April 2010 – October 2019*

### **Claudia Madrazo**

Artist & Conservationist  
Mexico City, Mexico

### **Thomas J. Meredith**

Co-founder and General Partner  
Meritage Capital

Austin, Texas

*Term: July 2009 – October 2018*

### **Thomas S. Middleton**

Senior Managing Director  
Blackstone Group

New York, New York

*Term: October 2007 – October 2016*

### **Ana M. Parma**

Research Scientist  
Centro Nacional Patagónico, CONICET  
Puerto Madryn, Argentina

*Term: June 2013 – October 2022*

### **Stephen Polasky**

Professor of Environmental Economics  
University of Minnesota

St. Paul, Minnesota

*Term: January 2009 – October 2018*

### **Thomas J. Tierney**

Chairman and Co-Founder  
The Bridgespan Group, Inc.

Boston, Massachusetts

*Term: October 2007 – October 2017*

### **Moses Tsang**

Executive Chairman  
AP Capital Holdings Inc

Hong Kong

*Term: January 2010 – October 2019*

### **Frances A. Ulmer**

Chair, U.S. Arctic Research Commission  
Anchorage, Alaska

*Term: October 2011 – October 2020*

### **P. Roy Vagelos**

Retired Chairman & CEO  
Merck & Co. Inc.

Whitehouse Station, New Jersey

*Term: December 2012- October 2022*

### **Margaret C. Whitman\***

President and CEO, Hewlett-Packard Company  
Palo Alto, California

*Term: March 2011 – October 2020*

\*Currently on Leave of Absence

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**Ronald R. Gastelum**  
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Los Angeles

**Barton H. Thompson, Jr.**  
Director  
Woods Institute for the  
Environment  
Stanford University  
Stanford

**Scott B. Wilson**  
Chairman & Chief Scientist  
Persyst Development Company  
Del Mar

THE NATURE CONSERVANCY  
 OPERATING STATEMENT  
 COMPARISON OF FY14 TO FY13 BUDGETS  
 (in \$ Thousands)

	BOD FY 2013 <u>BUDGET</u>	FY 2014 <u>BUDGET</u>	PERCENT CHANGE	FY 2013 <u>PROJECTED</u>	FY 2014 <u>BUDGET</u>	PERCENT CHANGE
<b>Revenue</b>						
Dues and contributions*	217,800	255,000	17.1%	218,000	255,000	17.0%
Government grants	84,100	80,200	-4.6%	70,000	80,200	14.6%
Private contracts & mitigation	8,300	11,200	34.9%	11,600	11,200	-3.4%
Leases, royalties and fees	23,900	24,500	2.5%	24,000	24,500	2.1%
<b>Total Revenue</b>	<b>334,100</b>	<b>370,900</b>	<b>11.0%</b>	<b>323,600</b>	<b>370,900</b>	<b>14.6%</b>
<b>Other Support</b>						
LPF interest	12,100	12,800	5.8%	12,100	12,800	5.8%
Endowment income spending**	51,400	50,400	-1.9%	51,400	50,400	-1.9%
Other sources***	145,400	146,600	0.8%	132,000	146,600	11.1%
<b>Total Other Support</b>	<b>208,900</b>	<b>209,800</b>	<b>0.4%</b>	<b>195,500</b>	<b>209,800</b>	<b>7.3%</b>
<b>Total Revenue and Support</b>	<b>543,000</b>	<b>580,700</b>	<b>6.9%</b>	<b>519,100</b>	<b>580,700</b>	<b>11.9%</b>
<b>Expenses</b>						
Personnel and fringe benefits	304,500	330,900	8.7%	300,200	330,900	10.2%
Contractual	121,800	127,400	4.6%	100,000	127,400	27.4%
Communications	23,600	27,200	15.3%	23,600	27,200	15.3%
Travel	21,200	23,200	9.4%	21,000	23,200	10.5%
Supplies and equipment	22,200	23,400	5.4%	21,800	23,400	7.3%
Occupancy	21,400	20,700	-3.3%	21,400	20,700	-3.3%
Other expenses	23,500	27,000	14.9%	21,000	27,000	28.6%
<b>Total Expenses</b>	<b>538,200</b>	<b>579,800</b>	<b>7.7%</b>	<b>509,000</b>	<b>579,800</b>	<b>13.9%</b>
<b>Operating Surplus</b>	<b>4,800</b>	<b>900</b>		<b>10,100</b>	<b>900</b>	

\* does not include Contributed Goods & Services

\*\* BOD-authorized endowment spending

\*\*\* represents budgeted transfers from reserves, bequests, fundraising campaigns, multi-year restricted gifts, etc.



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	44,863,350	44,863,350		
<b>2</b> Grants and other assistance to individuals in the United States. See Part IV, line 22	0	0		
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0	0		
<b>4</b> Benefits paid to or for members	0	0		
<b>5</b> Compensation of current officers, directors, trustees, and key employees	9,078,094	6,066,540	1,874,407	1,137,147
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
<b>7</b> Other salaries and wages	231,777,026	134,688,970	54,289,388	42,798,668
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	15,494,892	8,914,877	3,711,230	2,868,785
<b>9</b> Other employee benefits	23,475,519	13,294,384	5,547,381	4,633,754
<b>10</b> Payroll taxes	18,554,687	10,746,778	4,567,688	3,240,221
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management	0	0	0	0
<b>b</b> Legal	1,452,933	1,019,987	344,630	88,316
<b>c</b> Accounting	1,347,729	145,203	1,202,318	208
<b>d</b> Lobbying	1,508,044	1,508,044	0	0
<b>e</b> Professional fundraising services. See Part IV, line 17	7,924,739			7,924,739
<b>f</b> Investment management fees	11,242,691	0	11,242,691	0
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	66,575,781	58,796,547	7,779,234	0
<b>12</b> Advertising and promotion	0	0	0	0
<b>13</b> Office expenses	35,776,390	15,103,955	5,748,988	14,923,447
<b>14</b> Information technology	5,965,451	4,496,893	1,261,517	207,041
<b>15</b> Royalties	0	0	0	0
<b>16</b> Occupancy	11,481,680	1,762,404	9,507,911	211,365
<b>17</b> Travel	20,836,146	14,885,667	3,000,907	2,949,572
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials	11,317	11,317	0	0
<b>19</b> Conferences, conventions, and meetings	10,276,134	7,101,721	1,842,707	1,331,706
<b>20</b> Interest	19,002,878	18,999,072	3,806	0
<b>21</b> Payments to affiliates	0	0	0	0
<b>22</b> Depreciation, depletion, and amortization	8,170,490	5,930,355	1,785,000	455,135
<b>23</b> Insurance	3,963,612	2,334,549	1,556,748	72,315
<b>24</b> Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> <u>Book Value of Conservation Land Sold</u>	161,309,513	161,309,513	0	0
<b>b</b> <u>Repairs, Maintenance and Construction</u>	6,900,159	4,443,785	2,045,040	411,334
<b>c</b> <u>Real Estate Taxes</u>	5,429,219	4,414,255	989,297	25,667
<b>d</b> <u>Other</u>	29,798,490	21,330,812	3,863,060	4,604,618
<b>e</b> All other expenses				
<b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24e	752,216,964	542,168,978	122,163,948	87,884,038
<b>26</b> <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				





## S.L. Gimbel Foundation Fund Grant Evaluation Form

**Grant Period:**

Organization: The Nature Conservancy

Contact Name: Julie Bondi

Title: Associate Director of Philanthropy

Phone Number: 949-244-2748

Grant Period: Feb. 1, 2013 through Jan. 31, 2014

Award Amount: \$25,000

Grant Number: #20130154

- Describe the project's key outcomes and results based on your goals and objectives. Provide the number of clients served and other relevant statistics.

All of the funds related to the acquisition of Chadwick Ranch have been secured, contracts for the acquisition have been signed, legal review is complete, the school teachers have been trained, and the trails and outdoor classroom design plans have been vetted and approved. One of the funders, the Sierra Nevada Conservancy (a government agency), has changed its easement codes, and has therefore delayed the transaction, but otherwise every aspect of the project according to the proposal is on track. The 140 -acre conservation easement will close by February 25, 2014. All of the other schools in the county have been provided with a Learning Landscape to use for their school, making this is an exciting time to secure the final Learning Landscape at Chadwick Ranch for Loyalton Elementary and High Schools. Once we acquire the easement on February 25<sup>th</sup>, we will provide an outdoor classroom for the 340 students annually from Loyalton Elementary and Loyalton High Schools. Students, teachers, and community members will be able to use the property in perpetuity.

- What were the challenges and obstacles you encountered (if any) in attaining your goals & objectives? How did you overcome and/or address the challenges and obstacles? What were the lessons learned?

There were a few challenges to the project, which were successfully managed by the dedicated staff of The Nature Conservancy (TNC) and Feather River Land Trust (FRLT). First, staff capacity to manage the negotiation and transaction of Chadwick Ranch was limited, unexpectedly, because the conservation director of FRLT was called away to attend to an urgent matter. Consequently, the conservation director worked only 25% of the time budgeted for his responsibilities. Paul Hardy, the Executive Director of TNC's partner FRLT, took over much of the follow-through but his time was limited by three other land acquisitions happening in other parts of Sierra Valley and Indian Valley. Additionally, the negotiations for the land transaction were complicated because the negotiations included the land owner and another rancher who intended to buy the property after the conservation easement was completed. Finally, the easement transaction was further complicated because it included liabilities related to the development of educational access by teachers and students alongside a working agricultural zone, both within the same conservation easement. There was an extensive amount of back and

- Provide a financial report on the use of your grant funds (expenditures).

*Project Sources:*

<b>Source</b>	<b>Amount</b>
Sierra Nevada Conservancy	\$97,750
Northern Sierra Partnership	\$95,000
The S.L. Gimbel Foundation	\$25,000
The Hind Foundation	\$10,000
The Witter Foundation	\$5,700
Reserve Fund (Private Donors)	\$11,550
<b>Total</b>	<b>\$245,000</b>

Project Expenses:

<b>Item</b>	<b>Cost</b>	<b>The S.L. Gimbel Foundation</b>
Land Purchase (including pre-acquisition and legal costs)	\$180,000	\$25,000 (All of the donation was placed into escrow)
Stewardship Expenses	\$5,000	
Restoration, trail, and outdoor classroom infrastructure	\$30,000	
Program Operation Expenses	\$35,000	
<b>Total</b>	<b>\$245,000</b>	<b>\$25,000</b>

- ❖ Please send copies of publicity and other promotional materials.
- ❖ All variances or time extensions must be approved by The Community Foundation's Grant Committee. Please contact us at 951-684-4194, ext. 114 immediately if a variance or extension becomes necessary.

**Please return the completed form to:**

Celia Cudiamat, Vice President of Grant Programs  
 3700 Sixth St., Suite 200, Riverside, CA 92501 or fax to 951-684-1911  
 Or email to: [ccudiamat@thecommunityfoundation.net](mailto:ccudiamat@thecommunityfoundation.net)



CINDY WICK KANON LEARNING LANDSCAPE - STUDENTS SCOPING WETLANDS





Chadwick Ranch Learning Landscape  
"Searching for Insects"







Serving the Counties of Riverside and San Bernardino

S. L. Gimbel Foundation Fund

BOARD OF DIRECTORS

June 12, 2014

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Immediate Past Board Chair

Dr. Jonathan Lorenzo Yorba  
President and CEO

Mr. Mike Sweeney  
Executive Director  
The Nature Conservancy  
201 Mission St., 4th Floor  
San Francisco, CA 94105

Dear Mr. Sweeney:

Congratulations! A grant has been approved for **The Nature Conservancy** in the amount of **\$50,000** from the S.L. Gimbel Foundation. The **performance period for this grant is July 1, 2014 to June 30, 2015**. Additional funding beyond the performance period is not guaranteed. It is highly recommended that alternative funding sources be sought accordingly. The grant is to support the following as specified in your proposal:

*Chiapas Ecosystem-based Adaptation Project: Train 80 ranchers in 10 communities in the El Tablon watershed to implement improved cattle ranching practices.*

This grant is subject to the terms outlined in the enclosed Grant Agreement. After you have reviewed the terms and conditions of the Grant Agreement, please sign and date the enclosed copy and return the original copy to The Community Foundation within the next two weeks. Please retain a copy of the signed agreement for your records. Funds will be released upon receipt of the signed Grant Agreement.

A condition of this grant is that you agree to submit the Grant Evaluation Form which includes a narrative report and fiscal report. The **Grant Evaluation is due on July 15, 2015** and a copy will be available online at [www.thecommunityfoundation.net](http://www.thecommunityfoundation.net) under Grants/Forms.

If you have any questions, please call me at 951-684-4192 ext. 114 or email me at [ccudiamat@thecommunityfoundation.net](mailto:ccudiamat@thecommunityfoundation.net).

Sincerely,

Celia Cudiamat  
Executive Vice President

The Nature Conservancy

20140341

GIMB2



Confirmed in Compliance  
with National Standards for  
U.S. Community Foundations

**2014 S.L. Gimbel Foundation Fund**

**Grant Agreement**

**Organization:** The Nature Conservancy  
**Grant Amount:** \$ 50,000 **Grant Number:** 20140341  
**Grant Period:** July 1, 2014 through June 30, 2015 (Final report due by July 15, 2015)  
**Purpose:** Chiapas Ecosystem-based Adaptation Project: Train 80 ranchers in 10 communities in the El Tablon watershed to implement improved cattle ranching practices.

**1. Use of Grant Funds**

Grant funds must be expended within the grant period, for the purpose and objectives described in your grant proposal. Grant funds may not be expended for any other purpose without prior written approval by The Community Foundation. If there are significant difficulties in making use of the funds as specified in your proposal, or if the grant funds cannot be spent within the grant period, notify us in writing promptly.

Formal requests for extensions or variances must be submitted to the Foundation's Board of Directors for approval a minimum of 60 days before the end of the grant period.

Requests for variances or extensions are reviewed on a case-by-case basis and approved by the Board of Directors. If a request is denied, unused funds must be immediately refunded to the Foundation.

**2. Payment of Grant Funds**

The grant funds will be paid in full by the Foundation upon receipt of the signed Grant Agreement. Challenge grant funds will be paid in full upon receipt of the signed Grant Agreement and upon receipt of documentation providing evidence that condition(s) of the challenge grant has/have been met.

**3. Certification and Maintenance of Exempt Organization Status**

This grant is specifically conditioned upon Grantee's status as an eligible grantee of The Community Foundation. The Foundation has obtained a copy of the Grantee's IRS determination letter. Grantee confirms that it has not had any change in its tax-exempt status, and shall notify the Foundation immediately of any such change.

**4. Final Report and Records**

The Grantee will submit the Grant Evaluation report per the deadline set forth in the award letter. This report includes a narrative on outcomes based on goals and objectives set forth in the grant proposal and an expenditure report documenting use of grant funds. If equipment was purchased, copies of receipts need to be included.

**5. Grantee's Financial Responsibilities**

Grantee will keep records of receipts and expenditures of grant funds and other supporting documentation related to the grant at least four (4) years after completion of the grant and will make such records of receipts, expenditures and supporting documentation available to the Foundation upon request.

**6. Publicity**

The Community Foundation recommends publicity for the grant and acknowledging The Community Foundation in internal correspondence, brochures as appropriate; newsletters, annual reports and email blasts or e-newsletters.

The credit line of "Made possible in part by a grant from the "S.L. Gimbel Foundation Advised Fund at The Community Foundation – Inland Southern California" is suggested. When your donors are listed in printed materials, include the S.L. Gimbel Foundation Advised Fund at The Community Foundation in the appropriate contribution size category. When

publishing our name, please note the "The" at the beginning of our name is a legal part of our name. It should always be used and capitalized. Attaching our logo is also appreciated. Our logo can be downloaded from our website at [www.thecommunityfoundation.net](http://www.thecommunityfoundation.net).

**7. Indemnification**

In the event that a claim of any kind is asserted against the Grantee or the Foundation related to or arising from the project funded by the Grant and a proceeding is brought against the Foundation by reason of such claim, the Grantee, upon written notice from the Foundation, shall, at the Grantee's expense, resist or defend such action or proceeding, at no cost to the Foundation, by counsel approved by the Foundation in writing.

Grantee hereby agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless the Foundation, its offices, directors, employees, and agents, from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission by Grantee, its employees, or agents in applying for or accepting the Grant, in expending or applying the Grant funds or in carrying out any project or program supported by the Grant, except to the extent that such claims, liabilities, losses, and expenses arise from or in connection with any bad faith act or omission by the Foundation, its officers, directors, employees, or agent.

**8. Termination**

The Community Foundation may terminate this agreement, withhold payments, or both at any time, if, in the Community Foundation's judgment: a) The Community Foundation is not satisfied with the quality of the Grantee's progress toward achieving the project goals and objectives; b) the Grantee dissolves or fails to operate; c) the Grantee fails to comply with the terms and conditions of this agreement.

**9. Limitation of Support**

This Agreement contains the entire agreement between the parties with respect to the Grant and supersedes any previous oral or written understandings or agreements.

\*\*\*\*\*

**I have read and agree to the terms and conditions of the Grant Agreement.**

*Jake Demoe*  
Signature

6-26-14  
Date

JAKE DEMOE  
Printed Name

Deputy Dir. of Philanthropy, CA  
Title

Organization: 18133 The Nature Conservancy  
Grant Number: 20140341

*g*  
*7/3/14*





The  
Community  
Foundation

Serving the Counties of Riverside and San Bernardino

*S. L. Gimbel Foundation Fund*

BOARD OF DIRECTORS

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Chair of the Board

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Vice Chair of the Board

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D. Matthew Pim

Patrick O'Reilly

Rose Salgado  
Beverly Stephenson

Grover Trask  
Immediate Past Board Chair

Dr. Jonathan Lorenzo Yorba  
President and CEO

June 27, 2014

Mr. Mike Sweeney  
Executive Director  
The Nature Conservancy  
201 Mission St., 4th Floor  
San Francisco, CA 94105

Dear Mr. Sweeney:

The Community Foundation is pleased to enclose a grant check for **\$50,000** from the S. L. Gimbel Foundation, a component fund at The Community Foundation. By cashing the grant check, you are agreeing to the conditions stated under the *Terms of Grant* which you have signed and returned. The completed Grant Evaluation form is due by July 15, 2015 and will be available online on The Community Foundations website under Grants/Forms. Please note that any grant variances or extensions must be requested in writing and in advance. Any remaining grant funds must be returned to The Community Foundation at the end of the grant period.

We greatly appreciate any help you can give us in publicizing the grant. **Please use the following credit in any grant announcements or materials funded by the grant: "The (name of project/program) is supported by a grant from The S. L. Gimbel Foundation."** You may send copies of articles printed in local papers, stories in your agency newsletter, annual report, press releases, and other publications for our files.

If you have any questions, please contact me at 951-684-4194.

Sincerely,

Celia Cudiamat  
Executive Vice President

20140341

37539

GIMB2



Confirmed in Compliance  
with National Standards for  
U.S. Community Foundations

**The Community Foundation**

3700, SIXTH STREET, SUITE 200  
RIVERSIDE, CA 92501  
951-241-7777 / FAX 951-684-1911

**CITIZENS BUSINESS BANK**  
A Financial Services Company  
3495 Main Street, Riverside, CA 92501  
90-3414-1222

37539

PAY \* Fifty Thousand and no/100 \*

TO THE ORDER OF

The Nature Conservancy  
201 Mission St., 4th Floor  
San Francisco, CA 94105

DATE 06/19/2014 AMOUNT \$\*\*\*\*50,000.00



*Celia Andramat*  
*Jonathan Lorenzo Golba*  
AUTHORIZED SIGNATURE

Security features. Details on back.

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The Community Foundation

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18133 The Nature Conservancy

06/19/2014 037539

20140341 06/12/2014 Chiapas Ecosystem-based Adaptation Project  
GIMB S.L. Gimbel Foundation Advised Fund

50,000.00 50,000.00

CHECK TOTAL: \$\*\*\*\*50,000.00

The Community Foundation

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18133 The Nature Conservancy

06/19/2014 037539

20140341 06/12/2014 Chiapas Ecosystem-based Adaptation Project  
GIMB S.L. Gimbel Foundation Advised Fund

50,000.00 50,000.00

CHECK TOTAL: \$\*\*\*\*50,000.00