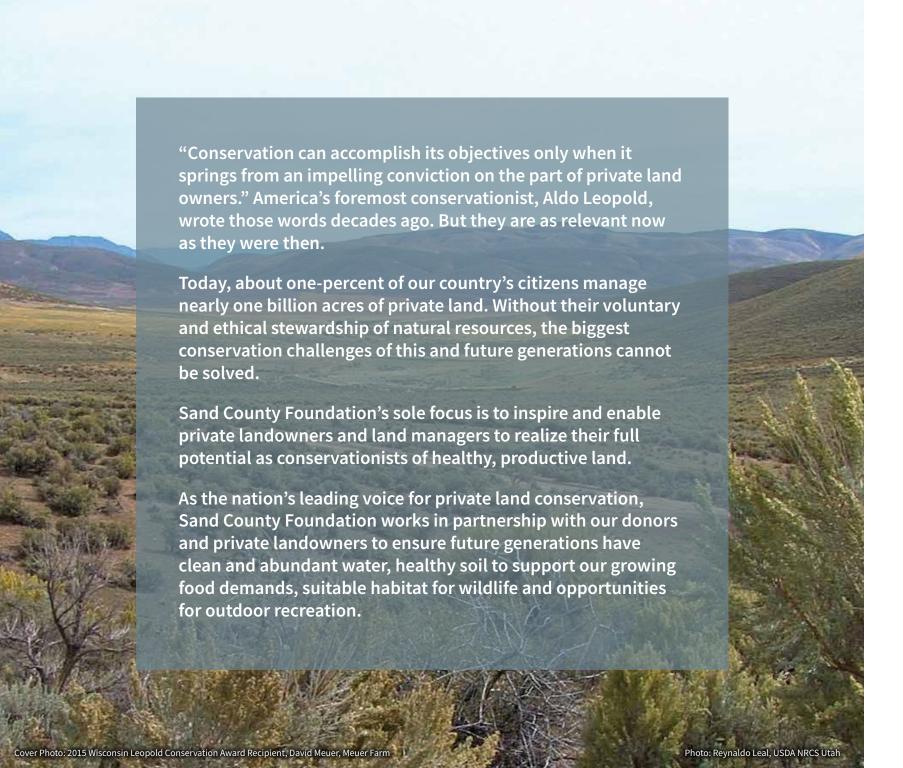


2015 Annual Report





A Message to our Donors and Sponsors

With our 50th anniversary around the corner, Sand County Foundation remains committed to advancing the voluntary efforts of private landowners who are improving the natural resources in their care.

This year the foundation's founder, Reed Coleman, stepped down as chairman after nearly fifty years of allegiance to principles based upon Aldo Leopold's land ethic. Thankfully he remains as chairman emeritus. We can think of no more fitting celebration of his unfaltering leadership than continuing to dedicate the foundation's work to these timeless and unchanging values.

As the nation's leading voice for private land conservation, we're proud to use science, ethics and incentives as we work with farmers, ranchers, foresters and our donors and partners on innovative environmental solutions that benefit us all.

Reed, thank you for leading the way - you've left big shoes to fill!

Warmest regards,

hynne Sherrod

Lynne Sherrod Chairman



"[Sand County Foundation's] Leopold Conservation Award provides much-deserved recognition to our nation's farmers and ranchers. In addition to providing healthy food for our families, these award recipients are committed to making sure our land is healthy. Our farm and ranch families, many of whom have a multi-generational commitment to conservation, truly are the original conservationists in Nebraska."

- Pete Ricketts, Governor of Nebraska

"Sand County Foundation's active support and participation has been crucial to our community's long term effort to reduce the impact of phosphorus on water resources and improve water quality: the Yahara WINS project [in Wisconsin], the first-in-the-state application of the Watershed Adaptive Management approach to reducing phosphorus pollution."

- David S. Taylor, Director of Ecosystem Services, Madison Metropolitan Sewerage District

Enhancing Freshwater Resources

Managing the supply and quality of water is the most critical natural resources issue facing the nation and the world. Sand County Foundation works with landowners and partners to make the best use of water where it falls on the land and improve water quality and quantity downstream. We bring together landowners, local partners and water conservation funders to create onthe-ground examples of improved land management systems, and to test and model practices that can be adopted across the landscape.



In 2015, thanks to donor support, Sand County Foundation led a group of private farmers and ranchers in Texas to adopt better land management practices. These produce a cleaner, more reliable water supply to the Richland-Chambers reservoir, a major source of water for residents and businesses in the Fort Worth metro area. We sponsored landowner workshops and incentivized better livestock grazing and pasture and row-crop systems upstream of the reservoir. With Texas A&M University, we partnered to monitor rainfall, runoff and soil moisture retention on small catchments under different rangeland management conditions. Full data collection and analysis began in 2012, and initial results collected in 2015 help ranchers and resource professionals to better manage for water quantity.

In the upper Midwest, Sand County Foundation's project work is leading to a deeper understanding about the complex relationships among soil, water, nutrients and the people who use them to produce food. Take the problem of excess phosphorus. Much of our donor-supported water quality work is directed at keeping fertilizers applied to agricultural land out of lakes and rivers. A major project with the Electric Power Research Institute (EPRI) and other partners is evaluating gypsum as a tool to reduce phosphorus runoff. It's the same gypsum used to make wall board. Analysis of the data we gathered suggests gypsum has great promise to bind with phosphorus in the field where it can remain available for plant production rather than running off into streams.





Thanks in large part to our partners and sponsors, the Leopold Conservation Award® Program has celebrated more than 80 landowner families for their achievements in voluntary conservation. Significant progress was made to expand to the award program to 10 states in 2015. Continued outreach and high profile events position the award as a prestigious accomplishment among conservation-minded landowners, and its prominence continues to draw active participation from governors and leaders in conservation and agriculture. Through educational efforts and events, the program's message is expanding to a diverse and influential audience.



Richard Weathered President, Western AgCredit

A Word From Our Sponsor

Since the program began, the Leopold Conservation Award has relied on the strong support of our partners and sponsors. As one of the earliest Utah supporters, Western AgCredit has been a proud sponsor since 2008. **Western AgCredit President Richard Weathered** shares why his organization has supported the award all these years, and why he believes it's important to share these compelling stories about landowner-led conservation.

Why does Western AgCredit support the Leopold Conservation Award?

Western AgCredit strongly agrees with the Leopold Conservation Award approach of promoting conservation through incentives versus increased regulations. The award is well respected by not only conservationists from across the spectrum, but also by the members of the production agriculture industry. Production agriculture is comprised of individual families/companies who are conservationists in the truest sense of the word. They protect their land, water, domestic animals and wildlife because it's the right thing to do. The award provides unbiased recognition of people taking care of their

environment. To a high degree, the program promotes itself because of the parameters that the program was built upon such as individual responsibility, voluntary conservation and importance of property rights.

How does your affiliation with the program benefit Western AgCredit?

The Leopold Conservation Award does a great job of informing the general public about the efforts of production agriculture producers enhancing our environment. Any time production agriculture is shown in a positive light, Western AgCredit receives direct benefit since it only does business within the production agriculture industry.

Why are the stories of these leading land stewards important to share?

It's important for the public to understand that production agriculture is more than a business, it's a way of life. The producers who receive the Leopold Conservation Award are improving the environment we all live in. They set out on a course to improve the sustainability of the farm/ranch because it's the right thing to do. None of the winners ever expected to be publicly recognized for their efforts.

LANDOWNER SPOTLIGHT

2015 California Leopold Conservation Award Recipient Prather Ranch

Jim and Mary Rickert have worked in production agriculture all of their lives. Hired in 1979 by the original owner of Prather Ranch, the Rickerts have responsibly improved the land and recently became majority owners. Through their care and long-range planning, Prather Ranch has grown from 3,000 acres of pasture, hay and timberland, to over 35,000 acres.

At first a cow/calf enterprise, Prather Ranch has transitioned to a vertically integrated beef business. By developing a closed herd, they fulfill the requirements of biomedical companies to supply the highest quality products for medical use.

Intensive grazing has been practiced on the ranch for many years, without use of applied

fertilizers. With intensive grazing and improvements in irrigation efficiencies, the carrying capacity of the rangelands and pastures have more than doubled over the last 30 years. By producing greater plant diversity the ranch has a mix of nitrogen-fixing legumes and natural grass species to improve productivity and soil integrity.

Humane treatment of their animals is a cornerstone of the ranch's core values, and is of great importance to their beef customers. The ranch undergoes annual audits to ensure the animals are handled with care.

"The Rickerts have taken an extraordinarily active role in California's ranching community and have been leaders in proactive stewardship of the land, water and wildlife resources," says Billy Flournoy, President of California Cattlemen's Association. "They focus their time and efforts on sound conservation practices in order to keep ranching viable in California."



2015 Award Recipients

California

Prather Ranch

Colorado

Flying Diamond Ranch

Kansas

Sproul Ranch

Kentucky

West Wind Farm

Nebraska Shaw Family Farms

South Dakota

Jorgensen Land & Cattle Partnership

Texas

The BigWoods on the Trinity

Utah

W. F. Goring & Son, Inc.

Wisconsin

Meuer Farm

Wyoming King Ranch



Voluntary Wildlife Conservation Makes Gains

Pollinator Initiative

The iconic monarch butterfly and associated pollinator populations have sharply declined in the past several decades, largely due to habitat loss. This is a major conservation concern due to the globally-unique migration of the monarch and massive importance of pollinators in agriculture. Approximately 39 percent of U.S. croplands depend on pollinators. Honey bees alone enable the production of at least 90 commercially grown crops in North America.

Sand County Foundation is promoting voluntary habitat restoration on private lands in the Midwest to build on heightened interest in preventing the monarch butterfly from becoming listed under the Endangered Species Act. As an added benefit, improvement of monarch habitat will benefit a wide array of pollinators and other species that share these lands.

To complement efforts on public land and in backyards, we are capitalizing on overlapping utility rights-of-way as low cost opportunities to restore pollinator habitat and recover monarchs. These utility corridors are well situated to offer seasonal breeding and rest stops for monarchs.

Species Recovery Report

In 2015 the United States celebrated the 100th species classified as either delisted or removed as a candidate for listing under the Endangered Species Act. While the milestone was certainly worth celebrating, what is equally important is what we have learned regarding species recovery and actions that avoid additional listings.

Sand County Foundation's report, "Delights and Dilemmas of Rare Species Recovery", underscored many of those lessons and highlighted how individuals and communities can address threats to declining plants and animals. Our donor support over the years has allowed us to make early investments in reversing species decline through private landowner-led initiatives such as habitat restoration. The recent delisting of the Louisiana Black Bear is just one example of how those investments have paid off.

The rare species report garnered significant attention and media coverage as we widely distributed it to members of Congress and their staffs, agency leaders, media and conservation organizations. Associated opinion pieces were timed to generate further interest among opinion leaders and policy makers. The key points will continue to improve debate on state and national species conservation strategy.

Sage-Grouse Success

For ranchers and businesses across 11 western states, concerns over whether the Greater sage-grouse would be listed under the Endangered Species Act were significant. Nearly 45% of the grouse's habitat is on state and private land, and the remaining half on federal land, most of which is leased for livestock grazing and energy development.

The U.S. Fish and Wildlife Service's 2015 deadline to review whether to list the grouse spurred private landowners to partner with state and federal agencies and other organizations to protect, restore and improve critical sage-grouse habitat to avoid the listing. As a result of unprecedented, landscape-scale conservation efforts across the west, the U.S. Fish and Wildlife Service decided to not list the Greater sage-grouse under the Endangered Species Act.

Most landowners involved in this effort didn't seek a pat on the back for a job well done; they were simply doing what they know to be right – taking care of the land they rely on for their livelihood. However, replicating this sort of successful collaboration requires shining a spotlight on the examples these landowners set.

Sand County Foundation published six stories about ranchers who made extraordinary efforts to improve sage-grouse habitat. The stories focused on how they adapted their land management and grazing practices to improve grouse habitat. In each case, the ranchers expressed their desire to keep the grouse on their land, as the grouse are indicators of a healthy landscape. We engaged news media to help share the stories of this collaborative work.



Thank you to our 2015 donors!

Donors support Sand County Foundation's work to advance voluntary conservation on private land and find solutions to some of the most pressing environmental issues we face. We gratefully acknowledge those who generously donated in 2015 and those who have continually supported us over the years.

Alliant Energy Foundation, Inc

American AgCredit

American AgCredit - Farm Credit West

American Bank & Trust

American Center for Philanthropy

American Transmission Company

Jim Bill Anderson

Badgerland Financial

Barry Christensen Trust

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Homer Buell

Buffalo Trace Distillery

Tina Buford

Ingrid C. Burke

California Farm Bureau Federation

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Cargill

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Dick and Kim Cates

William and Jan Cato

Clean Line Energy

Colorado Cattlemen's Agricultural Land Trust

Colorado Cattlemen's Association

Reed Coleman

Dakota Community Bank & Trust

Nancy DeLong

Diane Derouen and Glenn Chambliss

Ducks Unlimited, Inc.

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Environmental Defense Fund

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Flying Diamond Ranch

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Intermountain West Joint Venture

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Kansas Association of Conservation Districts

Kansas Dept. of Agriculture, Division of Conservation

Kansas Forest Service

George Kennedy

Kentucky Agricultural Council

Kentucky Association of Conservation Districts

Kentucky Corn Grower's Association

Kentucky Farm Bureau Federation

Kentucky Tree Farm Committee

Kentucky Woodland Owner's Association

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The Nature Conservancy

Nebraska Cattlemen

Nebraska Environmental Land Trust

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North Dakota Game Fish & Parks

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Producers Livestock Marketing Association

Professional Alliance

Rainwater Basin Joint Venture

Ranchland Trust of Kansas

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South Dakota Cattlemen's Association

South Dakota Association of Conservation Districts

South Dakota Department of Agriculture

South Dakota Department of Environment and Natural

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South Dakota Farm Bureau Federation

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USDA Natural Resources Conservation Service

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University of Kentucky

Utah Cattlemen's Association

Utah Farm Bureau Federation

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Wisconsin Milk Marketing Board

World Wildlife Fund - Northern Great Plains Program

William and Mardelle Wuerger

Wyoming Stock Growers Association

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Sand County Foundation is a Gold Level GuideStar demonstrating transparency and accountability to our donors. View Sand County Foundation's profile financials, program activities and impact

participant. This means we are committed to on GuideStar's website to find details about our

Financial Responsibility

Assets

ASSETS	2015
Cash	353,195
Unconditional Promises to Give	304,365
Grants Receivable	41,637
Prepaid Expenses	25,015
Long-term Investments	9,024,880
Property & Equipment - Net	68,327
TOTAL ASSETS	\$9.817.419

Liabilities and Net Assets

LIABILITIES	2015
Accounts payable	57,385
Grants Payable	
Other Liabilities	4,411
TOTAL LIABILITIES	\$86,796
NET ASSETS	
Unrestricted Net Assets	6,061,629
Temporarily Restricted Net Assets	3,668,994
TOTAL NET ASSETS	\$9,730,623
TOTAL LIABILITIES AND NET ASSETS	\$9,817,419

Sand County Foundation has always been committed to full financial transparency. The foundation is classified as a 501(c)(3) Public Charity under IRS code. The report of an independent auditor, 2015 audited financial statements and our 2015 tax return are available at www.sandcounty.net.

In addition, Sand County Foundation conducts organizational and programmatic reviews of its work every three to four years. This interdisciplinary review process is conducted by prominent independent experts and helps guide our priorities and strategies.

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CEO, Retired

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The nation's leading voice for private land conservation