Change is inevitable, and Sand County Foundation has experienced its fair share of change over the last 50 years as we have responded to unmet conservation challenges. But our commitment to advancing voluntary conservation on private, working land will never change. To achieve environmental improvement in this nation, we need the guidance and leadership of farmers, ranchers, foresters and other private landowners.

In 2016, Sand County Foundation’s national symposium, “Innovations on the Land: Managing for Change”, brought together private landowners and partners who continually respond to changes. Farmers, ranchers and other land managers adapt to changes in weather, regulations, technology and consumer preferences. The symposium left us with a key takeaway: landowners remain steadfast in their creative abilities to tackle the challenges that come with change.

As we kick off our 50th anniversary year, we are not just celebrating our past achievements. With our donors and partners, we are embracing the challenge of meeting the environmental needs of the next 50 years.

Lynne Sherrod
Chairman

“A Message to our Donors:

“Conservation can accomplish its objectives only when it springs from an impelling conviction on the part of private land owners.”

—ALDO LEOPOLD—

Today, about one-percent of our country’s citizens manage nearly one billion acres of private land. Without their voluntary and ethical stewardship of natural resources, the biggest conservation challenges of this and future generations cannot be solved.

Sand County Foundation’s sole focus is to inspire and enable private landowners and land managers to realize their full potential as conservationists of healthy, productive land.

As the nation’s leading voice for private land conservation, Sand County Foundation works in partnership with our donors and private landowners to ensure future generations have clean and abundant water, healthy soil to support our growing food demands, suitable habitat for wildlife and opportunities for outdoor recreation.

Lynne Sherrod
Chairman
Pay for Performance

Turning an old method on its head is one way to better understand what drives conservation success. Rather than funding conservation practices upfront with unknown outcomes, we explored the potential to reward farmers based on the measurable environmental contributions of their conservation actions. In 2016, Sand County Foundation completed an innovative, three-year “Pay for Performance” project in the Milwaukee River watershed, funded through the Great Lakes Protection Fund. This pilot project tested a mechanism to reward farmers for the amount of phosphorus they kept out of surface waters by adopting select conservation practices.

As one of several partners in this project, we maintained a network of water quality sampling stations, developed on-farm nutrient management plans, conducted field assessments, and most importantly, maintained strong relationships with farmers participating in the project. Lessons learned from this work will inform efforts to build pay-for-performance projects elsewhere in the region and beyond.

Prairie Strips

Here’s one to watch in the coming year: a new effort to establish perennial vegetated filter strips to improve water quality, while also providing needed habitat for insect pollinators, birds and other grassland species. Research from Iowa State University shows that these “prairie strips” can greatly reduce losses of sediment and nutrients when placed strategically within cropped fields. With funding through Sustainable Agriculture Research and Education (SARE) we expanded this practice by partnering with farmers and researchers to install prairie strips on working farms and evaluate their environmental and economic performance.

Leadership for Midwestern Watersheds

Leadership for Midwestern Watersheds (LMW) continued to grow in 2016 as a popular forum for professionals who deliver projects to reduce agricultural pollution in watersheds of the upper Mississippi River basin. The November 2016 LMW meeting in Dubuque, Iowa drew a record attendance of over 70 participants. It was funded through the McKnight Foundation. LMW provides a forum for watershed project managers to share lessons learned about project design and implementation, and to discuss new tools, policies, and approaches to improve their efforts. Sand County Foundation leads this network in partnership with American Farmland Trust, the North Central Region Water Network, the Iowa Soybean Association, and state and federal conservation agencies.
The iconic monarch, with its multi-generational international migration, has experienced steep population declines in recent years and is now a candidate for listing under the Endangered Species Act (ESA). In 2016, we saw an opportunity to engage with the electric utility industry, pipeline companies, and railroad operators to enhance habitats for pollinators. In fact, the dense network of rights-of-way corridors from the Midwest corn belt to the highlands of central Mexico have significant overlap with the Monarch butterfly annual migratory flyway.

With funding from the National Fish and Wildlife Foundation and the Monarch Joint Venture, we’re helping several utility companies develop management plans for their own properties and build linkages with farmers across whose land electric transmission lines run. One leading investor-owned utility, Exelon, has joined us in developing pollinator habitat plans for its entire fleet of eleven nuclear generation stations. Hundreds of acres are already under active restoration. We’ve also launched discussions with the industry’s trade organization, Edison Electric Institute, to develop simple protections from ESA regulatory liability for companies and landowners who manage habitat for pollinators. And it’s not just bees, butterflies and beetles that depend upon these restored meadows. Many species of grassland birds, will get a habitat boost as well.

Most states and federal agencies are investing in planning and habitat restoration to avert the need to list the monarch, but the utility and agriculture industries had not been significant participants in those efforts. We saw a gap that we could help to fill by engaging those sectors.

“Exelon Generation shares the Sand County Foundation’s commitment to natural resources conservation. Our partnership with SCF is creating one of Illinois’ largest monarch butterfly habitats, right next door to the state’s largest carbon-free energy facility –Byron Nuclear Station. With dedicated partners like SCF, we are making a positive impact by protecting rare, threatened and endangered species and enhancing endangered wildlife habitat.”

—BRYAN HANSON
President and Chief Nuclear Officer
Exelon Generation

Monarch Butterfly Conservation
Strong support from our partners and sponsors continues to drive the success of the Leopold Conservation Award Program. Together, we’ve celebrated more than 90 landowner families for their outstanding achievements in voluntary conservation, and we expanded the award program to 11 states in 2016, with more growth on the horizon. Enthusiastic support and participation from governors and prominent leaders in agriculture and conservation continues to elevate the award program’s status as a prestigious accomplishment.

Outreach is a critical component to the award program. Through educational efforts and events, the critical role of private land stewardship is penetrating a broader audience. By working with our partners, we had the opportunity to bring our Nebraska award recipients to the 2016 Nebraska State Fair to share their stories with fairgoers at Cargill’s Raising Nebraska Exhibit. Adults and children had a chance to view Leopold Conservation Award videos and ask our award-winning families questions about farming and ranching, and how they are important to conservation.

“ITC is proud to partner with the Sand County Foundation to bring the Leopold Conservation Award Program to Kansas and Oklahoma to recognize and celebrate extraordinary achievements in voluntary conservation by private landowners. Environmental responsibility is one of ITC’s core values to help protect land, water and species.”

— DONNA ZALEWSKI
ITC Holdings Corp. Director of Local Government Community Affairs and Philanthropy

**National Recognition:**
Owned and managed by the Doan family, Black Leg Ranch is a cow/calf ranch just outside of Bismarck. Shortly after being awarded with the inaugural North Dakota Leopold Conservation Award, Black Leg Ranch went on to receive the National Cattlemen’s Beef Association’s Environmental Stewardship Award.
Donor Profile:

Duncan McCormack, President, Harvey L. and Maud S. Sorensen Foundation

When Duncan McCormack’s great uncle Harvey Sorensen established a family foundation in 1961, he did so after enjoying a successful business career. As an active sportsman, Sorensen purchased land in California that he enhanced for wildlife habitat, and he became a founding member of Duck’s Unlimited.

“He was a conservationist back in the mid 50s,” McCormack explains. “My dad and I followed in his footsteps by continuing in conservation in agriculture.” McCormack owns a diversified sheep and cattle business in Rio Vista, California.

“Land conservation and the things the Sand County Foundation does to recognize landowners are right in line with how our foundation is focused and thinks. And we want to help in any way we can.”

The Sorensen Foundation is a platinum level sponsor of the Leopold Conservation Award Program in California. McCormack was no stranger to the Leopold name before deciding to sponsor the award program. Aldo Leopold’s son, Starker Leopold, joined McCormack and his father on duck hunting outings during his time at UC-Berkeley.

“I was interested in what Sand County Foundation was doing when I was approached by a local company that suggested I should be a candidate for the Leopold Conservation Award. I said, ‘You know what? This is a good time for us to get involved! Not to compete for the award, but to contribute funds to inspire others to do the conscientious job I think we are doing on our land.’ We think it’s great to inspire the next generation of landowners to continue to handle the resources we’ve been blessed with in a careful manner.”
Since 2006, the Leopold Conservation Award in Wisconsin has recognized nine outstanding landowner families committed to voluntary conservation on private, agricultural land. Along with our partners, the Wisconsin Milk Marketing Board, Wisconsin Farm Bureau and Wisconsin Land and Water, we recognized Brooks Farms as the recipient of the 2016 award.

When Luther West acquired his 160-acre homestead in 1855, he was required to clear at least five acres and build a claim shanty. However, in less than three years, he cleared nearly 80 acres and built a large home on what is now Brooks Farms. Luther’s spirit of going above and beyond what is required remains a driving force for Ron Brooks and his daughters Alyssa, Kelsey, Zoey and Sydney, who each strive to conserve, improve and in some cases restore the same land Luther tamed over 160 years ago.

Brooks Farms is a 1,600-acre, vertically integrated dairy and crop farm in Waupaca, Wis. The dairy is currently undergoing a significant expansion, from 250 cows to 650, with plans to expand more in the future. The herd expansion will allow the Brooks family to better care for their animals and take advantage of economies of scale, giving them the ability to invest in manure separation and a wastewater treatment plant.

Depending on the year and weather conditions, 70-80% of the cropland is no-till. The cropland undergoes a 10-year crop rotation between oats, alfalfa, corn, soybeans and wheat. Throughout the 10-year rotation, the fields are only tilled twice with heavy consideration of slope and erosion potential. Earthworms thrive in their reduced tillage fields, indicating a healthy soil biosphere and creating channels to allow for water infiltration.

The family works with agronomists to develop 2.5-acre grid sections across their land. The small grid section size allows for a precise use of fertilizer and seed inputs.

Over the last five years, the Brooks family has dedicated significant time, money and effort towards a large prairie and pollinator project. The project began with invasive plant removal and an intensive prairie burn. In the spring of 2016, the Brooks family planted an impressively diverse seed mix, featuring 11 native grass species and more than 30 different forbs and legumes. The site will provide significant cover for ground-nesting birds and pollinator habitat.

The Brooks family rarely turns down an opportunity to reach out to the community to educate others about conservation and stewardship. Ron and his daughters attend career days at high schools and middle schools to encourage children to consider a career in agriculture. Zoey also served as Wisconsin’s “Alice in Dairyland”, dedicating a year to promoting dairy and agriculture to thousands of students and adults in Wisconsin and beyond.

“The success of the farm has come from the passion that Ron exudes for the symbiotic relationship between his dairy/crop operation and the land. Ron has said many times, ‘leave a legacy, not a liability’. He truly believes that saying, and lives by it.”

— JAMES DIETZLER
Pheasants Forever

Landowner Spotlight: Brooks Farms
Farmers and ranchers around the world are contending with increasing complexities that require them to adapt to unprecedented changes in weather, regulations, land ownership patterns, technology and consumer demands. As part of Sand County Foundation’s ongoing “On the Land” symposium series, we brought together landowners, representatives of government and non-government conservation organizations, businesses, academia and media to engage in discussions and workshops to address the challenges of change.

More than 130 participants from 22 states covering virtually every type of agriculture attended the national symposium at Asilomar Conference Grounds in Pacific Grove, California. Panels of experts, including Leopold Conservation Award-winning landowners, scientists and other conservation leaders discussed how consumer demand is driving conservation action on agricultural land; how ecosystem markets are advancing water and wildlife conservation; how we can achieve ethical land management and conservation solutions in an era of changing land ownership; and how voluntary conservation action allows landowners to respond to weather extremes related to climate change, while making their farming and ranching enterprises more resilient and profitable. Guests also attended a field tour, spokesperson training session and a policy workshop discussion focused on developing recommendations on select areas of conservation policy.

Based on feedback from speakers and attendees, the event resulted in new ways of thinking about conservation challenges, new ideas to put into practice, new communication skills, a deeper understanding of conservation policy, and perhaps most importantly, new relationships among individuals representing diverse interests and backgrounds. It is a productive culture of collaborative conservation that Sand County Foundation has inspired for nearly 50 years. We will continue to bring private landowners together to advance voluntary natural resources conservation on private working land.
Thank you to our 2016 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 2016 and those who have continually supported us over the years.
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, 2016 audited financial statements and our 2016 tax return are available at sandcountyfoundation.org.

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.

### Financial Responsibility

#### Assets

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>40,190</td>
</tr>
<tr>
<td>Promises to Give</td>
<td>534,661</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>43,499</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>15,145</td>
</tr>
<tr>
<td>Long-term Investments</td>
<td>9,021,017</td>
</tr>
<tr>
<td>Property &amp; Equipment - Net</td>
<td>16,764</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$9,700,626</strong></td>
</tr>
</tbody>
</table>

#### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>42,983</td>
</tr>
<tr>
<td>Grants Payable</td>
<td>—</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>176,468</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$219,451</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>5,957,091</td>
</tr>
<tr>
<td>Temporarily Restricted Net Assets</td>
<td>3,524,084</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>$9,481,175</strong></td>
</tr>
</tbody>
</table>

| TOTAL LIABILITIES AND NET ASSETS | **$9,700,626** |

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, 2016 audited financial statements and our 2016 tax return are available at sandcountyfoundation.org.

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.

#### Board of Directors

**CHAIRMAN**

Lynn Sherrod  
Owner  
Rockey U7 Ranch

**CHAIRMAN EMERITUS**

Rand Colman  
CEO, Retired  
Madison Kopp Corporation

**VICE-CHAIR/SECRETARY**

David Hanson  
Attorney  
Michael Best & Friedrich

**TREASURER**

Homer Buell  
Owner  
Stanley U8 Ranch

**Treasurer**

Tina V. Butler  
Owner  
H. Pharr Ranch

**Secretary**

Indy Burke, Ph.D.  
Dean  
Yale University School of Forestry & Environment

**CEO & Chief Scientific Officer**

Brent Haglund, Ph.D.  
CEO & Chief Scientific Officer  
Sand County Foundation

**CEO & Chief Financial Officer**

George Kennedy  
Venture Investor

**CEO & Chief Conservation Officer**

Bruce Knight  
Director  
National Elk Foundation

**CEO & Chief Science Officer**

Stanley Temple, Ph.D.  
Biers-Bascom Professor Emeritus in Conservation  
University of Wisconsin - Madison

**Ed Warner**  
Geologist and Philanthropist

**Foundation Staff**

Brent Haglund, Ph.D.  
CEO & Chief Scientific Officer

Kevin McAleese  
President

Christina Schelpfleifer  
Vice President External Relations

Craig Fiesnac  
Program Director

Lance Irving  
Program Director  
Leopold Conservation Award

Jenni Le  
Communications Manager

Timothy Male, Ph.D.  
Senior Director Conservation Programs

Nancy DeLong  
Senior Director Conservation Programs

Greg Olson  
Field Projects Director

Holly Perrotti  
Manager of Administrative Services

Alex Echols  
Consultant, Special Projects

Karen Sweet  
Consultant, California and Utah Leopold Conservation Awards

Craig Utter  
Consultant, Nebraska Leopold Conservation Award

Sand County Foundation is a Gold Level GuideStar participant. This means we are committed to demonstrating transparency and accountability to our donors. View Sand County Foundation’s profile on GuideStar’s website to find details about our financials, program activities and impact.

**Foundation Staff**

Brent Haglund, Ph.D.  
CEO & Chief Scientific Officer

Kevin McAleese  
President

Christina Schelpfleifer  
Vice President External Relations

Craig Fiesnac  
Program Director

Lance Irving  
Program Director  
Leopold Conservation Award

Jenni Le  
Communications Manager

Timothy Male, Ph.D.  
Senior Director Conservation Programs

Nancy DeLong  
Senior Director Conservation Programs

Greg Olson  
Field Projects Director

Holly Perrotti  
Manager of Administrative Services

Alex Echols  
Consultant, Special Projects

Karen Sweet  
Consultant, California and Utah Leopold Conservation Awards

Craig Utter  
Consultant, Nebraska Leopold Conservation Award

Sand County Foundation is a Gold Level GuideStar participant. This means we are committed to demonstrating transparency and accountability to our donors. View Sand County Foundation’s profile on GuideStar’s website to find details about our financials, program activities and impact.
The nation’s leading voice for private land conservation