



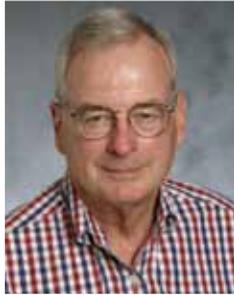
Photo credit: Kevin Kiley

# 2010 ANNUAL REPORT





# A MESSAGE FROM THE CHAIRMAN



**Dear Friends,**  
Sand County Foundation was founded in 1965 out of a need to preserve and enhance Aldo

Leopold's family farm and "Shack", but, more than this, it was established with a commitment to keeping Leopold's land ethic alive through working collaborations with private landowners to address challenges and identify opportunities to advance private land stewardship.

Since its inception, Sand County Foundation has forged partnerships with farmers, ranchers, foresters, and fishermen to develop innovative approaches to natural resources management. Although we remain highly invested in projects to enhance land and wildlife habitat, last year, we sharpened our focus to concentrate on water. For

several reasons, water is foremost in the minds of agricultural families across the nation, so water management is an integral portion of each of our programs, from creating incentives for farmers in the Midwest to reduce agricultural runoff into waterways to assisting landowners, through innovative means, to maximize the economic and environmental benefits of water on their land.

Private landowners know what is best for their land. You will see in the pages of this report that we create partnerships and provide the tools: ethics, science, and incentives, to help agricultural families across the United States realize their conservation goals.

Sincerely,

Reed Coleman



# LEOPOLD MEMORIAL RESERVE

**The roots of Sand County Foundation** can be found in the soil of the Leopold Memorial Reserve. The Reserve is a shining example of private landowners dedicated to conservation and inspiring others to see their own land in new ways.

Sand County Foundation works with these landowners on projects at the Reserve such as a constructed wetland, which demonstrates how wetlands can be used on farms to reduce the nutrients that stormwater runoff carries downstream.



Sand County Foundation, in partnership with the Natural Resources Conservation Service (NRCS), is restoring a wetland on its farm in Fairfield, Wisconsin. Goals of the project include determining the effectiveness of wetlands as a nutrient management practice; improving water quality in the Wisconsin River; and restoring native vegetation to an existing, degraded wetland.

Photo credit: Kevin Kiley



# LEOPOLD CONSERVATION AWARD

The Leopold Conservation Award recognizes and celebrates extraordinary achievement in voluntary conservation and provides a platform for agricultural families across the nation to educate the public about their crucial role in natural resources enhancement.

In addition to their innovative approaches to soil, grassland, and wildlife management,

these families are exemplary water stewards. For instance, Al Montna, a rice farmer in California, monitors the quantity and quality of water on his farm and utilizes laser leveling on his fields, resulting in lower herbicide costs due to better water management. Ron and Linda Heward in Wyoming installed an irrigation system that allows nearly 300 acres of native grass meadows to be irrigated by the Little

Medicine River through a network of ditches.



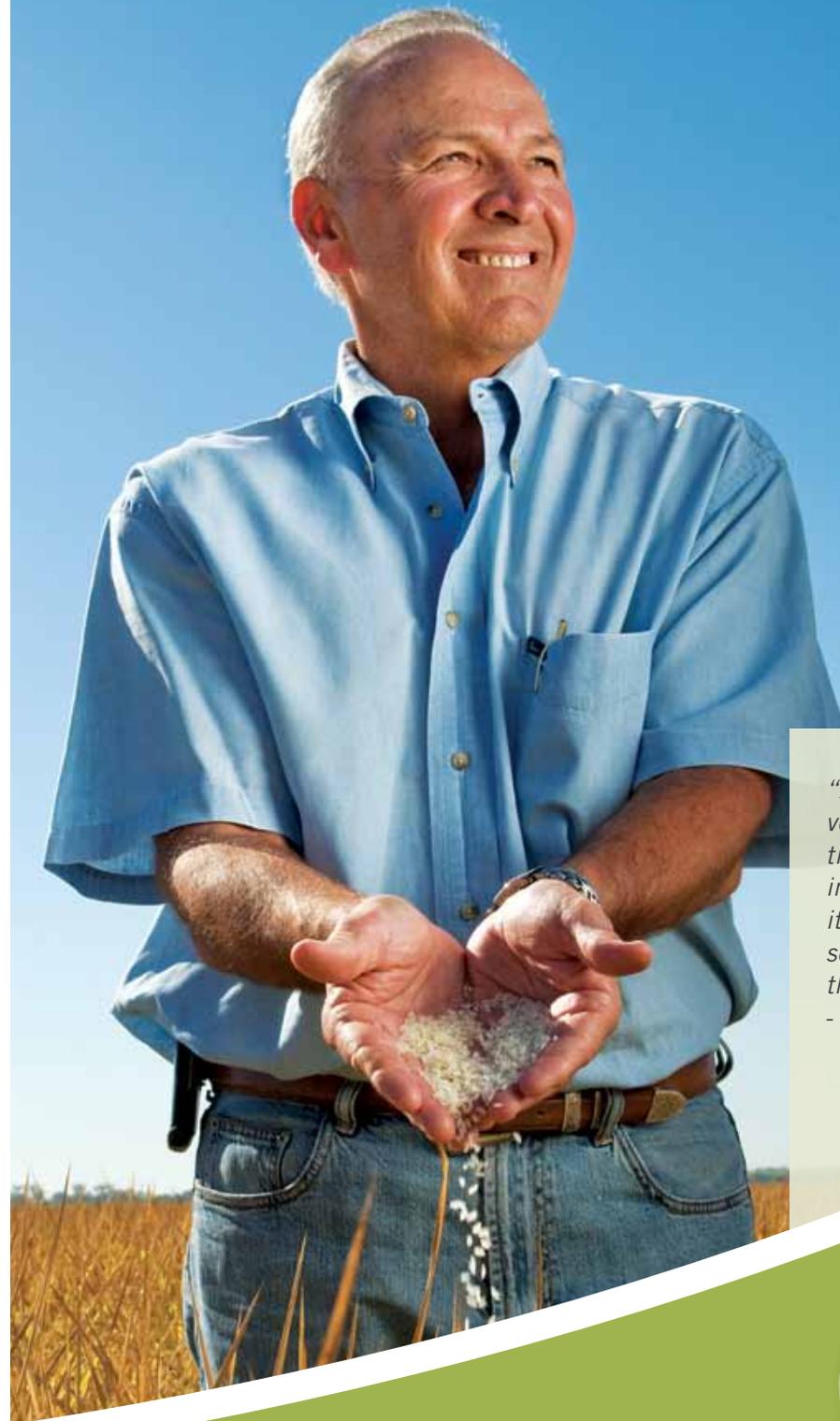
Nebraska Governor Dave Heineman (left of podium) recognized the Kalkowski family for their outstanding accomplishments in soil, wildlife, and water management.

Photo credit: Mike Fitzgerald

Ron Heward explains his family's water and grassland management techniques during a stewardship tour of the Heward family's 7E Ranch.



Photo credit: Kevin Kiley



*"Agriculture has been very good to us over time. We felt that it was important to preserve it, protect it, and put something back that the public could enjoy."*  
- Al Montna, Montna Farms

Photo credit: Paolo Vescia



# AGRICULTURAL INCENTIVES

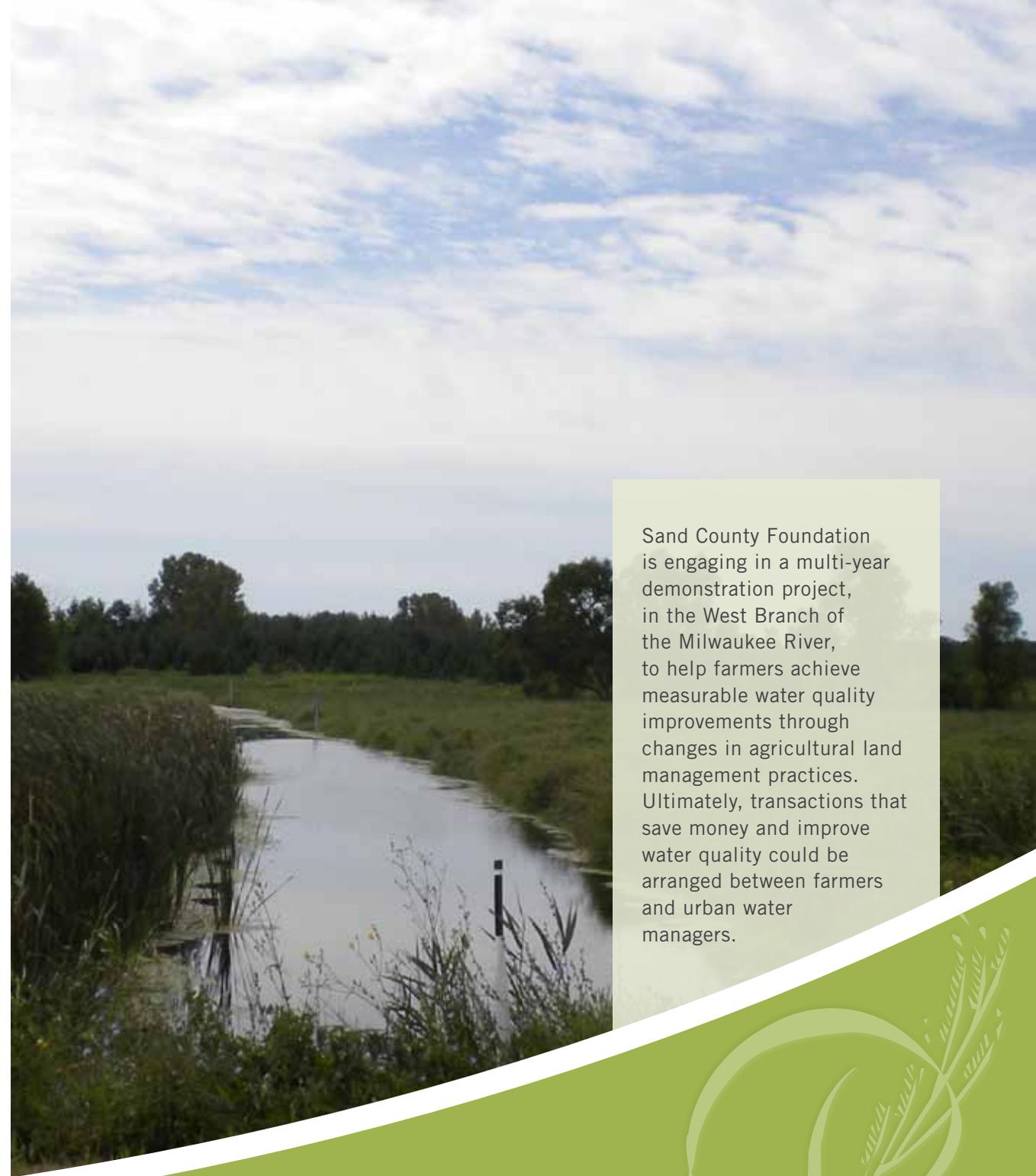
**The Agricultural Incentives program** helps farmers achieve measurable water quality improvements through changes in agricultural land management practices. Sand County Foundation discovered that farmers, whose direct connection to their land plays a critical role in testing alternative nutrient management practices, will permanently adopt new practices,

initiated with incentive payments, if they are deemed to be of benefit to the farmer. The U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS), which provided significant support for the program, adopted the fundamental aspects of Agricultural Incentives for its Mississippi River Basin Healthy Watersheds Initiative.



Photo credit: Kevin Kiley

SCF President Brent Haglund, U.S. Rep. Tammy Baldwin, Wisconsin State Conservationist Pat Leavenworth, and former Dane County Executive Kathleen Falk were the featured speakers at an event in recognition of Dane County, Wisconsin's water quality improvement efforts, as well as the Mississippi River Basin Healthy Watersheds Initiative, which utilizes concepts from SCF's Agricultural Incentives program.



Sand County Foundation is engaging in a multi-year demonstration project, in the West Branch of the Milwaukee River, to help farmers achieve measurable water quality improvements through changes in agricultural land management practices. Ultimately, transactions that save money and improve water quality could be arranged between farmers and urban water managers.





# WATER AS A CROP™

Because more than 80 percent of the annual precipitation in the continental United States falls on private land, Water As A Crop™ is changing the mind set of landowners to think of their water resources as a crop to be produced, rather than simply an input to grow something else. The program connects landowners to practical stewardship solutions, encourages and inspires voluntary management

changes, and provides incentives for enhancing water resources. The program is finding fertile ground in Texas' Trinity River Basin. The river is vital to five million Texans living in Dallas, Fort Worth, and Houston. In this model project, farmers and ranchers are rewarded for practicing good stewardship to enhance the quantity and quality of water supplies.

*"Water As A Crop™ has the potential to revolutionize how people manage their land in Texas for water conservation. There must be cooperation between landowners and our urban neighbors to get this right. The benefits for both can be tremendous."*

- Gary Price (pictured with wife, Sue), 77 Ranch, Navarro County, Texas



Photo credit: MillerCoors



Photo credit: MillerCoors

The Water As A Crop™ initiative provides landowners with knowledge and resources to effectively improve the conservation of water where it falls and produce clean water as a valuable crop.



Photo credit: Chase Fountain



# BRADLEY FUND FOR THE ENVIRONMENT

A partnership between Sand County Foundation and the Lynde and Harry Bradley Foundation, the Bradley Fund for the Environment invests in some of the most important issues that pertain to Americans' use and enjoyment of natural resources. The Bradley Fund

for the Environment has been at the forefront of water management through funding an historic meeting, America's Inner Coast Summit, which was the first step toward a model of low-cost, citizen-led watershed management.

Left to right: MG Michael J. Walsh, U.S. Army Corps of Engineers; David Vigh, U.S. Army Corps of Engineers; Diane Herndon, Monsanto; Brent Haglund, Sand County Foundation; Terry Birkenstock, U.S. Army Corps of Engineers; Michael Reuter, The Nature Conservancy; Cade "Eddie" Carter, Gulf Coast Engineers and Consultants; and Terry Mulcahy, Sand County Foundation at the America's Inner Coast Summit.



## Sand County Foundation, Inc. & Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, 31 DECEMBER 2010

### ASSETS

#### CURRENT ASSETS

Cash and cash equivalents	1,533,459
Contributions receivable	1,120,500
Accounts and grants receivable	95,871
<b>Total current assets</b>	<b>2,749,830</b>

#### LONG-TERM INVESTMENTS

5,127,777

#### PROPERTY & EQUIPMENT - NET

712,188

#### TOTAL ASSETS 2010

8,589,795

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES

Accounts payable, grants payable, and unearned revenue	586,607
<b>Total current liabilities</b>	<b>586,607</b>

#### NET ASSETS

Unrestricted net assets	3,541,968
Temporarily restricted net assets	4,461,220
<b>Total net assets</b>	<b>8,003,188</b>

#### TOTAL LIABILITIES AND NET ASSETS 2010

8,589,795



# Board of Directors

## CHAIR

**Mr. Reed Coleman**

Madison, WI • *Corporate Executive*

## VICE-CHAIR/SECRETARY

**Atty. David Hanson**

Madison, WI • *Attorney*

## PRESIDENT

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**Dr. Indy Burke**

Laramie, WY • *Grassland Ecologist*

**Mr. Terry Mulcahy**

Waunakee, WI • *Engineering Consultant*

**Dr. Steven F. Hayward**

Washington, DC • *Author, Columnist, Policy Scholar*

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Black Earth, WI • *Former U.S. Congressman*

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**Mr. David Langford**

Comfort, TX • *V.P. Emeritus, Texas Wildlife Association*

**Mr. Ed Warner**

Denver, CO • *Professional Geologist, Investor*



## Mission

Sand County Foundation's mission is to advance the use of ethical and scientifically sound land management practices and partnerships for the benefit of people and the ecological landscape.

Sand County Foundation is a 501(c)(3) public charity supported entirely by tax-deductible contributions from corporations, government agencies, foundations, and individuals who want to help us further our mission. All contributions are tax deductible.

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