





# REDEFINING CONSERVATION

Conservation.

It's in our name, and it's what we do. What is conservation exactly? For many it evokes beautiful landscapes, pristine rivers and forests teeming with wildlife. True enough; that's a common image of conservation. But that depiction at times leaves out one essential element—the relationship between human society and our land and natural resources.

This crucial intersection is where The Conservation Fund makes a difference. We were founded on a simple but enduring principle—that environmental protection and economic vitality are inseparable. In fact, they are mutually reinforcing, and every aspect of our work reflects this resolve.

At the Fund, we demonstrate how the tools of the marketplace and conservation solutions—two powerful forces—work best together. Our team—a lean and talented group spread across more than 30 states—pursues this passion by innovating and finding solutions that are purpose-built for the way the world works.

We are dedicated to the proposal that every American is a conservationist, and we engage people from every walk of life in protecting our land, water and wildlife. There are multiple benefits when more Americans participate in conservation, resulting in more vibrant communities.

This report portrays a sampling of our many accomplishments in 2014—our 29th consecutive year of growth since our founding. We hope you will appreciate how the Fund practices conservation in many ways. One example is our Working Forest Fund, which keeps large-scale tracts intact while creating jobs and supporting communities. In fact, the paper used in this annual report is from sustainably managed working forests.

Our achievements reflect our drive to get ahead of emerging patterns in markets, technology and culture to create solutions that make sense for people and for their communities. In doing so, we believe the Fund has played a leading role in reimagining and redefining conservation to be effective today and tomorrow.

As you read this, The Conservation Fund is celebrating its 30th anniversary. We look back on these three decades and see that our work from 15, 20 and 30 years ago is benefiting a new generation of Americans.

As the Fund enters its next decade, we are confident our work will be making a difference 15, 20 and 30 years from today. Read on and get acquainted with who we are and why we do what we do. Find out how conservation works for America.

Sincerely,

Lawrence A. Selzer  
President

R. Michael Leonard  
Chairman

## OUR VISION

The Conservation Fund works at the intersection of conservation and community—we believe that environmental protection and economic vitality are inseparable.

# CONSERVATION WORKING FOR AMERICA

## A LOOK BACK AT 2014

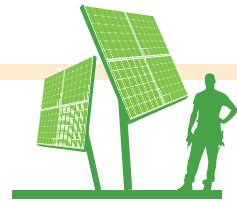


### MOST AUTHENTIC TOWN IN AMERICA

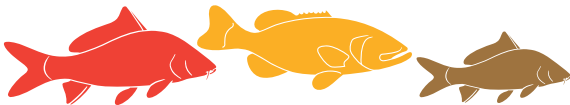
is the title recently given to Grand Lake, CO, one of four gateway communities where our Conservation Leadership Network led a two-year initiative to strengthen livability and help local economies benefit from their world-class outdoor recreation opportunities.



**MORE THAN 74,000 ACRES** of working redwood forestland on California's North Coast are owned, managed and protected by the Fund. These intact and invaluable ecosystems contribute approximately \$4 million to the local economy each year.



**OVER 2,700 JOBS** have been created or retained to date for more than 140 businesses through our Natural Capital Investment Fund, which provides loan capital and technical support to help small, nature-based companies grow in sustainable ways. The Fund supports innovative entrepreneurs and market-based solutions that bridge the gap between the economy and the environment.



### 93% OF THE UNITED STATES' EDIBLE SEAFOOD

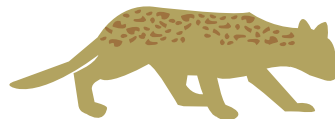
supply is imported. Our Freshwater Institute grows fish on land in closed containment water recirculation systems. By advancing the science and technology of aquaculture, we are creating a path to more sustainable U.S. seafood.



**\$130 MILLION** in bridge financing has been invested to date through our Land Conservation Loans to more than 130 local land conservation groups, protecting 110,000 acres in 34 states—land valued in excess of a quarter of a billion dollars.



**4,500 ACRES OF ACTIVE FARMLAND** and open space has been saved through our Ann Arbor Greenbelt Initiative—a voter-approved tax levy expected to generate \$80 million over 30 years for the purchase of land.



**OVER 7,000 ACRES** of protected land was added to Laguna Atascosa National Wildlife Refuge in Texas to expand critical habitat for the remaining 50 ocelots in the United States.



**1 MILLION** U-Haul® customers donated to Go Zero®, helping us protect forests, build parks and plant more than 397,000 trees to date.

**ACCREDITATION:** The Land Trust Accreditation Commission recognized The Fund as an accredited land trust, its highest measure of excellence.



**CSX AND THE CONSERVATION FUND** launched a grant program to help food distributors in 23 states enhance their delivery capabilities to farmers markets and communities in need. Together, they will be able to collect over 4 million pounds of food and serve 3.5 million more meals to an additional 130,000 people. Farmers markets enable efficient use of agricultural resources, and for every \$10 spent at a farmers market, \$7 stays in the local economy.



# CONSERVATION MEANS...



Powderhorn Ranch, TX © Earl Nottingham

## SECURING A VAST SHORELINE

We helped realize a goal 30 years in the making by protecting 17,351 acres of Powderhorn Ranch, in Calhoun County along the Texas coast. Our partnership with The Nature Conservancy, Texas Parks and Wildlife Department, the National Fish and Wildlife Foundation (NFWF) and the Texas Parks and Wildlife Foundation has raised a record \$37 million for the project, with most restoration and acquisition dollars resulting from NFWF's Gulf Environmental Benefit Fund, created following the BP Deepwater Horizon oil spill. In an era of increasing land prices and diminishing government resources, Powderhorn redefines large conservation projects in Texas and demonstrates public and private entities working together for long-term benefits.

**WHY IT MATTERS:** Powderhorn protects a critical swath of coastal prairie, freshwater wetlands and salt marshes that shelter hundreds of wildlife species, serve as a natural filter to improve water quality, and shield people and property from storm surges and sea level rise. Powderhorn Ranch eventually will become a state park and wildlife management area.

## PRESERVING GREEN SPACE FOR AMERICA'S MOST POPULOUS COUNTY

The San Gabriel Mountains tower over Los Angeles, creating one of the most photographed landscapes in Southern California. Mount Baldy is the tallest peak in the range. Baldy offers top-notch hiking, fishing, mountain biking and skiing. Preservation of this 300-acre property, once threatened by development, enhances the scenic and recreational resources of the area, protects wildlife habitat and maintains critical landscape linkages. With the help of the Watershed Conservation Authority and the state's River Parkway program, we protected one of the last tracts on the mountain.

**WHY IT MATTERS:** Los Angeles County, the most populous in the nation, acutely needs green space. This project advances the creation of the Emerald Necklace Forest to Ocean Expanded Vision Plan for Los Angeles County, a massive interconnected network of green space, stretching from the San Gabriel Mountains to the Pacific Ocean, developed by the Fund's Strategic Conservation Planning team.



Mt. Baldy, CA © Josh McNair

“This historic investment is only possible because of this extraordinary public/private partnership and is a bold example of how landscape scale conservation projects can be achieved in Texas and beyond.”

—Dan Friedkin, Chairman Emeritus of the Texas Parks and Wildlife Commission

## CREATING A PARK TO CELEBRATE HERITAGE

We played a key role in the creation of South Dakota's first state park in more than 40 years by protecting 250 acres along the Big Sioux River. The property became the foundation of Good Earth State Park. The Conservation Fund purchased this mix of woodlands, savanna and native prairie and temporarily held it until the South Dakota Department of Game, Fish and Parks received federal funding from the Forest Legacy grant program for its permanent protection.

### WHY IT MATTERS:

Good Earth State Park sits within the Blood Run National Historic Landmark and contains important cultural sites of the Oneota and other Native Americans. For centuries they used the area as a trade and ceremonial center for the entire region. The park has grown to nearly 600 acres and helps visitors experience what the landscape was like for our country's earliest inhabitants.



Great Gray Owl at Sax-Zim Bog, MN © Sparky Stensaas

## PARTNERING TO SAVE A BIRDER'S HAVEN

The 40-below temperatures don't deter the devoted birders who flock to Sax-Zim Bog in northern Minnesota every winter, eager to catch a glimpse of species rarely seen this side of the Canadian border. We spearheaded a complex and groundbreaking effort to protect this at-risk birding wonderland that involves land acquisitions, land exchanges, conservation easements and wetland restoration through mitigation banking. The Minnesota Department of Natural Resources, St. Louis County, Ecosystem Investment Partners and the Potlatch Corp. helped us complete this project.

**WHY IT MATTERS:** The Conservation Fund and our partners found a creative solution for saving this imperiled landscape without the use of public funds. Through a unique public/private partnership, the financial position of such diverse stakeholders as Minnesota public schools and the Minnesota forest industry was enhanced while conserving nearly 32,000 acres.



Good Earth State Park, SD © Courtney Reedy

Good Earth State Park, SD  
© Clint Miller

## PROTECTING A WORKING FOREST IN PERPETUITY

For years the state of Georgia eyed a 20,000-acre stretch of pristine hardwood and pine forest along the Altamaha River that provides habitat for the gopher tortoise and indigo snake and connects two other protected tracts. Known as the Sansavilla property, it was unprotected from possible development. With bridge capital from our Working Forest Fund and additional financing from the Georgia Clean Water Revolving Fund, the Richard King Mellon Foundation, and the Knobloch Foundation, we purchased Sansavilla, bringing it one step closer to permanent protection. We will manage the property's timber in collaboration with wildlife goals, and over the next few years, Georgia's Department of Natural Resources will acquire the land in phases.

**WHY IT MATTERS:** High demands on the Altamaha River have placed this ecosystem at risk. Our Working Forest Fund allows us to quickly acquire threatened forests with high conservation value. While we own and manage these lands as working forests, we collaborate with our conservation partners to raise the funds to permanently protect them.



Evan Smith, Vice President of Conservation Ventures, at Sansavilla, GA © Stacy Funderburke



Trail of Tears National Historic Trail, TN © David Humbard

## HONORING THE INTEGRITY OF HISTORY

The Conservation Fund and the U.S. Forest Service recognized the hardships of the Cherokee people with the protection of 392 acres adjacent to Cherokee National Forest in Coker Creek, Tennessee. The property contains a significant portion of the Trail of Tears National Historic Trail, which traces parts of the original route thousands of Cherokee used during the forced exodus from their native land in the early 1800s. The Forest Service utilized funding from the Land and Water Conservation Fund to complete the transaction and will manage the land in conjunction with the National Park Service, the Cherokee and Creek tribes, and state and local agencies and organizations.

**WHY IT MATTERS:** The treatment of Native Americans is a stain on our nation's history and should not be forgotten. Protecting sites that help us understand the culture and experiences of Native Americans—including the Trail of Tears—offers an experiential way to learn about the past, while at the same time spending time outdoors among nature's abundant resources.



“Preserving historic sites such as this allows us to learn firsthand about our heritage and the people, events and ideas that have shaped us as Americans.”

—Senator Lamar Alexander



Northern Forest, VT © Robert J. Hurt

## HELPING A SMALL BUSINESS GROW

Through our Natural Capital Investment Fund's Logging Initiative, we provided an important boost to Coleman Brothers Logging with a loan for a feller buncher, a motorized vehicle used to harvest trees. The company has doubled its pulpwood and saw timber harvesting, and its Richburg, South Carolina, business is now safer and more efficient. The Logging Initiative funds equipment purchases by certified loggers who can't raise the financing they need from traditional sources. NCIF launched the initiative with support from CEI Capital Management and the U.S. Endowment for Forestry and Communities, two organizations that share NCIF's commitment to loggers and the forest products industry.

**WHY IT MATTERS:** The logging industry, which gives us everyday forest products like paper and furniture, is aging and struggling to attract a new generation of talent. Young entrepreneurs Will and Wesley Coleman are bucking the trend and, with the help of NCIF, are taking their business to the next level.

## MANAGING FORESTS TO KEEP THEM INTACT

The Northern Forest encompasses 26 million acres across New York, Vermont, New Hampshire, Maine and into Canada, making it the largest continuous forest east of the Mississippi River. With assistance from the Richard King Mellon Foundation, we deployed our Working Forest Fund to purchase 30,000 acres across all four states that are at the highest risk of being subdivided and sold off in small parcels—many for development. The Fund will sustainably manage the lands as working forests until permanent conservation outcomes are in place.

**WHY IT MATTERS:** Many of these lands are near existing conserved areas. Keeping them intact provides critical habitat and connectivity for wildlife in the area, including moose, black bear and Canada lynx, a federally listed threatened species. As working forests, they also support economic stability for the region's forestry and nature-based tourism industries.



Coleman Brothers Logging  
© Katherine Suaso

“Using these grants to help protect habitat shows it’s possible to develop energy infrastructure in an environmentally sound manner. The choice isn’t, and rarely should be, between wildlife or development, but rather how we accommodate both needs in a holistic manner.”

—Tom Melius, Midwest Regional Director for the U.S. Fish and Wildlife Service

Deval Patrick, former Governor of Massachusetts © J Shia



## MITIGATING THE IMPACT OF A NATURAL GAS PIPELINE

Rockies Express set up a nearly \$4 million fund to mitigate impacts to migratory bird habitat across a 639-mile section of its natural gas pipeline called REX East. As manager of the Rockies Express Migratory Bird Account, The Conservation Fund levered \$19 million from other sources to protect and restore 17,300 acres in Missouri, Indiana, Illinois and Ohio. The pipeline, one of the largest in North America at 1,700 miles, helps meet growing U.S. energy demand and has enabled many new and more strategic conservation opportunities.

**WHY IT MATTERS:** Our Mitigation Services team protected hundreds of migratory bird species. For example, the last grant from this fund to the Whitewater Valley Land Trust in Wayne County, Indiana, removed invasive bush honeysuckle and restored forest habitat and riparian corridors to benefit Cerulean, Hooded, Worm-eating, and Kentucky Warblers, as well as Bewick’s Wrens, and all species showing steep population declines. The Ropchan Foundation and the USDA Natural Resources Conservation Service provided matching funds.

## PROVIDING FOOD AND AGRICULTURAL SECURITY

Our Land Conservation Loan program provided financing to the Mount Grace Land Conservation Trust to convert an old bank in Orange, Massachusetts, into the Quabbin Harvest market and co-op. Designated a “food desert,” this former mill town with a struggling economy desperately needed this centrally located venue. And in downtown Boston, a loan from the Fund is helping build the Boston Public Market, a massive year-round indoor market that will provide locally sourced food to the public. It’s the first market of its kind in the country and is likely to become the hub of Boston’s vibrant local food scene.

**WHY IT MATTERS:** We’re improving food security by increasing access to fresh, healthy food. By investing in these markets, we also optimize farmers’ crops, land use and profitability, which advances our mission to blend economic vitality with environmental sustainability.







© Quabbin Harvest, MA

# CONSERVATION MEANS MAKING A DIFFERENCE.

Read more about our work in 2014, and learn about the staff who make it possible in our full report, available at: [conservationfund.org/annualreport](http://conservationfund.org/annualreport)



© Ivan LaBianca



**“I find that The Conservation Fund is an incredibly flexible organization, willing to take on risk along with strong partners as they develop projects. I couldn’t ask for a better partner in the conservation work that we are doing.”**

— David Graham Wolf,  
Deputy Director, Mount Grace Land Conservation Trust



© Ivan LaBianca



© Valarie/Flickr

## CONSERVING WORKING RANGLANDS

Iconic. Expansive. Vulnerable. All describe the Greater Yellowstone region. Our work in this cherished landscape focuses on protecting wildlife habitat, recreational areas and working ranchlands. In Wyoming, we worked with the Natural Resource Conservation Service and used private and state funding to complete six conservation easements on working ranches, safeguarding 28,400 acres of sage grouse and pronghorn antelope habitat within the Upper Green River and Hoback Rim areas. Across the border in Idaho, we purchased 315 acres within the Caribou-Targhee National Forest, in partnership with the U.S. Forest Service and the Land and Water Conservation Fund, to prevent development of a poorly planned subdivision within this sensitive wildlife area.

**WHY IT MATTERS:** The Greater Yellowstone region is one of the most intact and important landscapes in the country. Climate change, invasive species and development threaten to disrupt this fragile ecosystem. As governments and conservation groups compete for limited funding, we’re finding creative ways to bring conservation dollars to the table, giving this one-of-a-kind landscape a more hopeful and certain future.



Greater Yellowstone Area © Mark Gocke

# 2014 FINANCIALS

## COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2014, with comparative totals for 2013

SUPPORT AND REVENUE	2014 TOTAL	2013 TOTAL
Individual Contributions	10,445,262	12,211,901
Foundation Contributions	28,775,818	12,810,385
Corporate Contributions	1,767,847	2,212,209
Gifts of Land	46,094,229	39,725,976
Other Contributions	965,928	5,165,821
Conservation Land Transactions	86,137,225	44,048,413
Federal and State Grants	28,134,234	24,506,442
Contract Income	7,118,840	5,611,391
Mitigation/Carbon/Timber	16,154,046	5,094,482
Investment/Other Program Income	31,002,266	12,104,190
<b>TOTAL SUPPORT AND REVENUE</b>	<b>\$256,595,695</b>	<b>\$163,491,210</b>

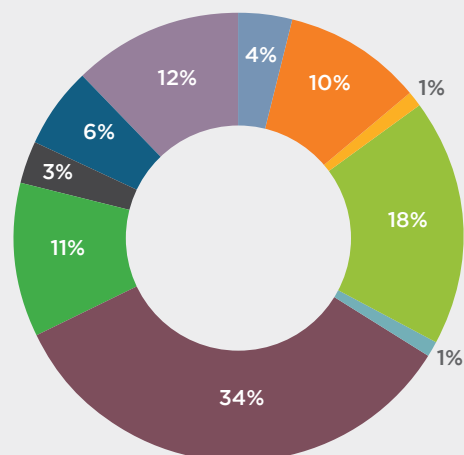
EXPENSES	2014 TOTAL	2013 TOTAL
Total Conservation Programs	205,714,013	138,781,110
Management and General	2,464,168	2,381,961
Fundraising	1,605,010	1,344,217
<b>TOTAL EXPENSES</b>	<b>\$209,783,191</b>	<b>\$142,507,288</b>

CHANGE IN NET ASSETS	\$46,812,504	\$20,983,922
NET ASSETS, BEGINNING OF YEAR	\$509,883,275	\$488,899,353
NET ASSETS, END OF YEAR	\$556,695,779	\$509,883,275

## SOURCES OF FUNDS - 2014

Individual	\$10,445,262
Foundation	\$28,775,818
Corporate	\$1,767,847
Gifts of Land/Other	\$46,094,229
Other Contributions	\$965,928
Conservation Land Transactions	\$86,137,225
Federal and State Grants	\$28,134,234
Contract Income	\$7,118,840
Mitigation/Carbon/Timber	\$16,154,046
Investment and Other Program	\$31,002,266

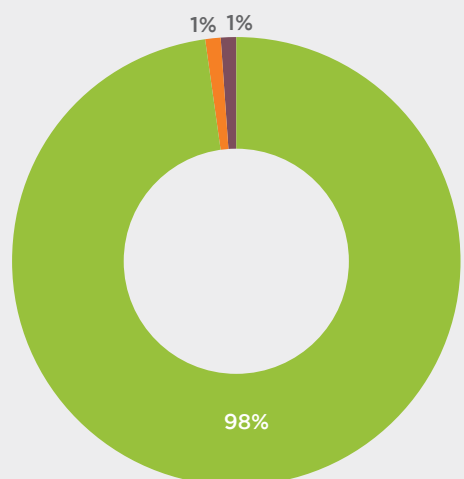
**Total** **\$256,595,695**



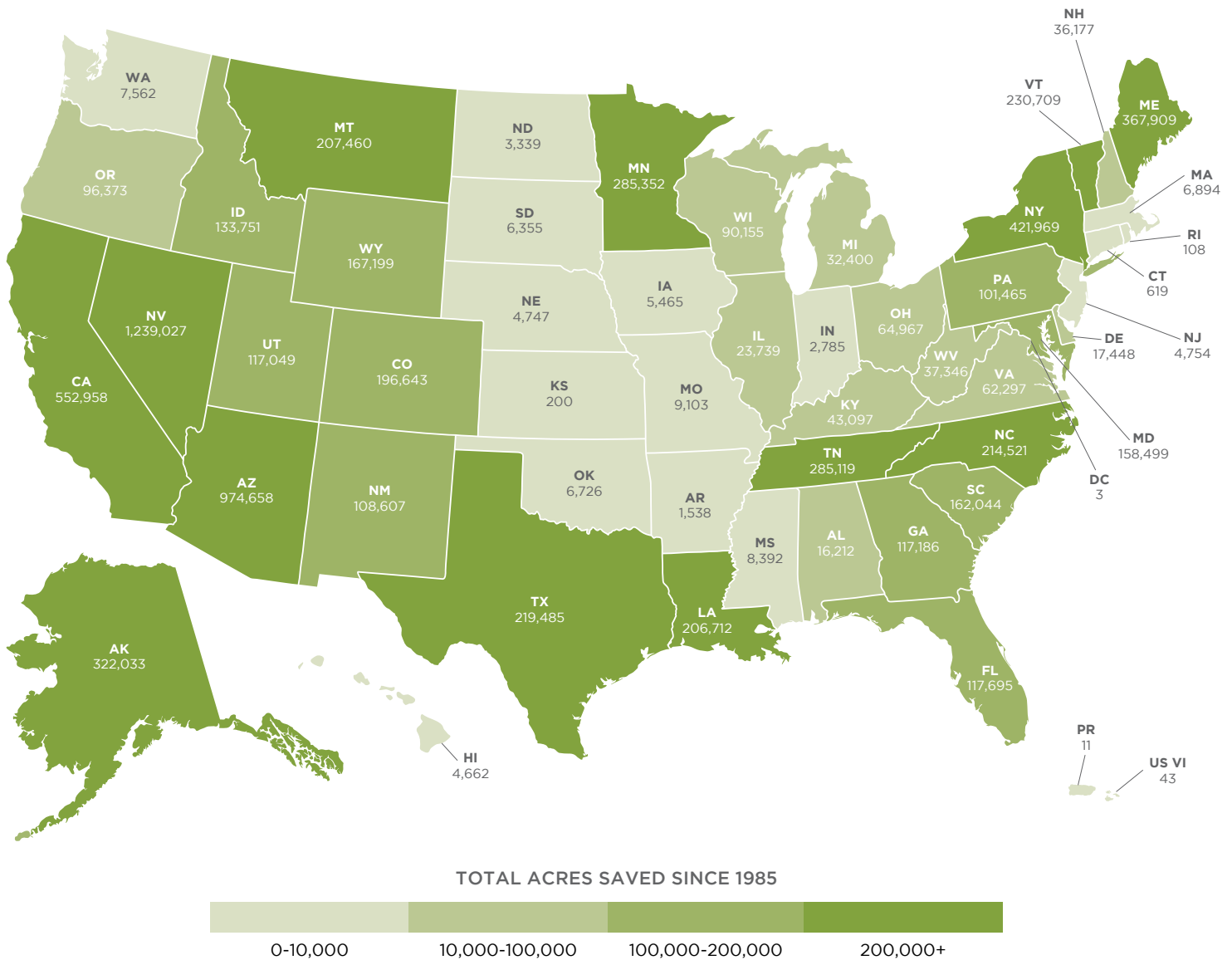
## USES OF FUNDS - 2014

Programs	\$205,714,013
Management and General	\$2,464,168
Fundraising	\$1,605,010

**Total** **\$209,783,191**



# The Conservation Fund has saved over **7.5 million acres**



## HOW BIG IS 7.5 MILLION ACRES?



If an acre was the size of a postage stamp, **7.5 million acres** would be larger than a football field.

If this tiny square → ■ was **1,000 acres**, this whole page would be 7.5 million acres.



7.5 million acres is more land area than the state of **Massachusetts**.



If laid end to end, 7.5 million square acres would stretch around the globe almost **12 times**.

# BOARD OF DIRECTORS

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North Carolina

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Virginia

## KiKu H. Hanes

Montana

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Oregon

# OFFICERS

Collectively, our officers have more than 500 years of conservation experience.

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Vice Chairman

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## Mark W. Elsbee

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## Evan H. Smith

Vice President, Conservation Ventures

## Scott M. Tison

Assistant Secretary



We're redefining conservation. Please take this opportunity to learn more about our work in 2014 by viewing our complete annual report online at:

[conservationfund.org/annualreport](http://conservationfund.org/annualreport)

## THE CONSERVATION FUND

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Arlington, VA 22209  
703-525-6300 | [conservationfund.org](http://conservationfund.org)

FOREST CERTIFICATION HAS FUNDAMENTALLY CHANGED, FOR THE BETTER, THE WAY FORESTS ARE MANAGED ACROSS THE U.S. WE ARE PROUD THAT THIS ANNUAL REPORT IS PRINTED ON PAPER FROM A FOREST WE HAVE PROTECTED—CERTIFIED TO SFI STANDARDS.



SFI BUG