



**THE SAND COUNTY  
FOUNDATION, INC.**

**FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION**

December 31, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Sand County Foundation, Inc.  
Madison, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of The Sand County Foundation, Inc., which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Sand County Foundation, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Sand County Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Sand County Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Sand County Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Sand County Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2026, on our consideration of The Sand County Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Sand County Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Sand County Foundation, Inc.'s internal control over financial reporting and compliance.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
May 12, 2026

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 647,712	\$ 904,502
Accounts receivable	11,854	105,257
Unconditional promises to give	1,628,400	734,821
Prepaid expenses	<u>30,879</u>	<u>26,560</u>
Total current assets	2,318,845	1,771,140
<b>OTHER ASSETS</b>		
Investments	11,056,093	10,762,920
Operating lease right-of-use asset	<u>346,576</u>	<u>384,450</u>
Total other assets	<u>11,402,669</u>	<u>11,147,370</u>
<b>Total assets</b>	<u><u>\$ 13,721,514</u></u>	<u><u>\$ 12,918,510</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 25,810	\$ 87,463
Grants payable	729,001	10,803
Accrued vacation and wages	48,677	50,436
Current portion of operating lease liability	<u>39,670</u>	<u>35,478</u>
Total current liabilities	843,158	184,180
<b>NONCURRENT LIABILITIES</b>		
Operating lease liability, less current portion	<u>334,435</u>	<u>374,105</u>
Total liabilities	1,177,593	558,285
<b>NET ASSETS</b>		
Without donor restrictions	8,555,515	8,313,696
With donor restrictions	<u>3,988,406</u>	<u>4,046,529</u>
Total net assets	<u>12,543,921</u>	<u>12,360,225</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 13,721,514</u></u>	<u><u>\$ 12,918,510</u></u>

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2025 and 2024

	2025	2024
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Contributions		
Foundation grants and other contributions	\$ 1,162,541	\$ 1,020,377
Government grants	2,257,494	2,294,270
Contributions of nonfinancial assets	78,380	75,465
Contracts and other revenues		
Contracted consulting and service fees	38,170	185,797
Investment return, net	871,169	986,886
Other revenues	10,712	30,154
	<u>4,418,466</u>	<u>4,592,949</u>
<b>EXPENSES</b>		
Program services		
Conservation Policy and Influence	121,533	5,630,166
Agricultural Conservation	2,919,495	2,157,432
Leopold Conservation Award®	1,049,245	1,110,591
	<u>4,090,273</u>	<u>8,898,189</u>
Supporting activities		
Management and general	663,757	533,845
Fundraising	182,510	153,388
	<u>846,267</u>	<u>687,233</u>
Total expenses	4,936,540	9,585,422
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Satisfaction of purpose restrictions and expiration of time restrictions	759,893	7,386,393
	<u>759,893</u>	<u>7,386,393</u>
Change in net assets without donor restrictions	241,819	2,393,920
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Foundation grants and other contributions	239,458	206,150
Investment return, net	462,312	346,792
Net assets released from restrictions	(759,893)	(7,386,393)
	<u>(52,123)</u>	<u>(6,833,451)</u>
Change in net assets with donor restrictions	(52,123)	(6,833,451)
<b>Change in net assets</b>	183,696	(4,439,531)
Net assets at beginning of year	12,360,225	16,799,756
<b>Net assets at end of year</b>	<u>\$ 12,543,921</u>	<u>\$ 12,360,225</u>

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2025 and 2024

	2025					
	Program Services			Supporting Activities		
	Conservation Policy and Influence	Agricultural Conservation	Leopold Conservation Award®	Management and General	Fundraising	Total Expenses
Personnel	\$ 830	\$ 1,181,398	\$ 521,164	\$ 412,206	\$ 167,657	\$ 2,283,255
Grants to others	120,703	805,356	200,000	-	-	1,126,059
Professional and contract services	-	726,966	140,486	168,719	-	1,036,171
Travel and vehicle expense	-	62,753	40,498	11,509	4,449	119,209
Operations	-	53,750	44,116	7,587	4,147	109,600
Conference, training and meetings	-	23,400	80,247	31,369	-	135,016
Occupancy	-	34,402	11,873	16,905	3,268	66,448
Other expenses	-	31,470	10,861	15,462	2,989	60,782
<b>Total expenses</b>	<b>\$ 121,533</b>	<b>\$ 2,919,495</b>	<b>\$ 1,049,245</b>	<b>\$ 663,757</b>	<b>\$ 182,510</b>	<b>\$ 4,936,540</b>
	2024					
	Program Services			Supporting Activities		
	Conservation Policy and Influence	Agricultural Conservation	Leopold Conservation Award®	Management and General	Fundraising	Total Expenses
Personnel	\$ 21,068	\$ 1,127,672	\$ 532,858	\$ 309,571	\$ 134,069	\$ 2,125,238
Grants to others	5,608,875	219,800	230,000	-	-	6,058,675
Professional and contract services	-	561,694	128,298	171,291	300	861,583
Travel and vehicle expense	84	63,192	41,807	10,374	8,390	123,847
Operations	100	73,361	45,812	7,297	4,314	130,884
Conference, training and meetings	-	41,090	107,361	12,163	1,140	161,754
Occupancy	-	39,260	13,595	12,869	2,877	68,601
Other expenses	39	31,363	10,860	10,280	2,298	54,840
<b>Total expenses</b>	<b>\$ 5,630,166</b>	<b>\$ 2,157,432</b>	<b>\$ 1,110,591</b>	<b>\$ 533,845</b>	<b>\$ 153,388</b>	<b>\$ 9,585,422</b>

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 183,696	\$ (4,439,531)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized gains on investments	(1,082,547)	(1,307,616)
Amortization of operating lease right-of-use asset	37,874	35,530
(Increase) decreases in assets		
Accounts receivable	93,403	(60,132)
Unconditional promises to give	(893,579)	711,249
Prepaid expenses	(4,319)	9,246
Increase (decrease) in liabilities		
Accounts payable	(61,653)	(44,236)
Grants payable	718,198	(75,687)
Accrued vacation and wages	(1,759)	23,957
Operating lease liability	(35,478)	(31,607)
Net cash flows from operating activities	(1,046,164)	(5,178,827)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(3,028,809)	(544,720)
Proceeds from sales of investments	3,818,183	3,024,763
Net cash flows from investing activities	789,374	2,480,043
<b>Net change in cash</b>	(256,790)	(2,698,784)
Cash at beginning of year	904,502	3,603,286
<b>Cash at end of year</b>	<b>\$ 647,712</b>	<b>\$ 904,502</b>

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Sand County Foundation, Inc. (SCF) is a national nonprofit working at the intersection of agricultural and environmental improvement. SCF researches and demonstrates conservation strategies that make economic sense for landowners. Our Leopold Conservation Award program recognizes and promotes the stories of conservation-minded farmers and ranchers to inspire other landowners to consider conservation opportunities on their land. More than 60 years ago, SCF was built on the core ideas encouraged by Aldo Leopold, America's foremost conservation thinker. Leopold inspired private landowners to adopt what he called a land ethic – a personal responsibility to treat land, water, and wildlife with respect. Today, as most of the land in the contiguous 48 states is managed by farmers, ranchers and forestland owners, SCF is inspiring a growing number of them to ethically manage the natural resources in their care. SCF's primary sources of revenues are contributions, grants, program service fees, and investment return.

**Accounts Receivable**

Accounts receivable primarily consist of amounts due from organizations for consulting, reporting, and training services provided by SCF. For purposes of estimating expected credit losses on current trade receivables, SCF has elected the practical expedient that allows it to assume that current conditions as of the date of the statement of financial position do not change for the remaining life of the asset. Management believes the composition of accounts receivable is consistent with historical conditions and accounts receivable are expected to be settled within a relatively short time frame based on current conditions. As such, credit losses are expected to be insignificant.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Investments**

SCF reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. SCF reports its minority investment in a limited partnership without a readily determinable fair value at its estimated fair value in accordance with the Financial Instruments Topic of the FASB Accounting Standards Codification, which disallows using the cost method for this investment. Estimated fair value is measured by the cost of SCF's ownership interest in partners' capital to which a proportionate share of net assets is attributed. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

**Leases**

SCF does not recognize short-term leases in the statement of financial position. For these leases, SCF recognizes the lease payments in the change in net assets on a straight-line basis over the

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

lease term and variable lease payments in the period in which the obligation for those payments is incurred. SCF also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, SCF uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Government Grants**

SCF receives grants from government agencies that are conditioned upon SCF incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by SCF, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions. Grants are subject to financial and compliance reviews and audits by the agencies providing direct or indirect funding pursuant to authority given by law or regulation. Such reviews and audits could result in claims against Impact for disallowed costs or noncompliance with the provisions of contracts and grant agreements. In management's opinion, it is highly unlikely that an adverse material outcome will result from those reviews and audits.

**Revenue Recognition**

Program service revenues include fees from consulting, reporting, and training services related to SCF's program activities. These services are generally considered to be either single performance obligation or earned over time. A single performance obligation is satisfied at a point in time and revenue is recognized when the services have been provided. Program service revenues that are earned over time are recognized ratably over the contract period. Fees received in advance of the contract period or performance are deferred and recognized as revenue over the contract period or on performance. It is the policy of SCF to not refund these fees.

Accounts receivable contracts with customers were as follows:

	<u>2025</u>	<u>2024</u>
Beginning of year	\$ 105,257	\$ 45,124
End of year	11,854	105,257

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Donated Services**

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, travel and vehicle expense, operations, occupancy, and other expenses, which are allocated on the basis of estimates of time and effort. The following program services and supporting activities are included in the accompanying financial statements:

*Conservation Policy and Influence*—Through its conservation policy initiative, SCF uses some of the same principles from its body of work to build and support ecosystem-scale species conservation models, greater access to safe drinking water supplies, and better use of data technology to achieve ecosystem restoration. This project concluded in 2024, as the Environmental Policy Innovation Center, a formerly fiscally sponsored SCF project, received its 501(c)(3) designation in 2023.

*Agricultural Conservation*—SCF's agricultural conservation program demonstrates land management practices that protect soil and water, utilize them more efficiently, and maximize the environmental benefits and productive capacity of agricultural systems. SCF strives to ensure that conservation measures enhance the long-term profitability and resilience of farms and ranches.

*Leopold Conservation Award*®—The Leopold Conservation Award® recognizes farmers, ranchers, and foresters for achievements in conservation on working land. With prominent partners in many states across the U.S., SCF presents the annual awards in settings that showcase the landowners' conservation success among their peers.

*Management and general*—Management and general activities relate to the overall direction of SCF and include the functions necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of SCF, and perform other administrative functions.

*Fundraising*—Fundraising activities relate to soliciting contributions from individuals, foundations, governments, and others, and other activities that involve inducing potential donors to contribute assets, services, or time to SCF.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Income Tax Status**

SCF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management’s Review**

Management has evaluated subsequent events through May 12, 2026, the date which the financial statements were available to be issued.

NOTE 2—PROMISES TO GIVE

Unconditional promises to give at the end of the year are receivable in less than one year.

SCF has several grants that are conditioned upon SCF incurring qualifying expenses under the Agricultural Conservation, Conservation Policy and Influence, and Leopold Conservation Award programs. At December 31, 2025, these conditional grants total approximately \$18,100,000. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

NOTE 3—INVESTMENTS

Investments are comprised of the following:

	2025	2024
Cash equivalents held by investment managers	\$ 152,497	\$ 126,401
Exchange traded funds	1,174,820	1,408,872
Mutual funds	6,637,223	5,766,606
U.S. Treasury notes	-	462,934
Investment in limited partnership	3,021,553	2,928,107
C&H Investment Co., Inc. preferred stock	70,000	70,000
	\$ 11,056,093	\$ 10,762,920

Fair values of exchange traded funds, mutual funds and U.S. Treasury notes are based on quoted net asset values of the shares as reported by the fund. The exchange traded funds and mutual funds held by SCF are open-end funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The exchange traded funds and mutual funds held by SCF are considered to be actively traded. The fair value of the investment in the Acacia limited partnership is determined by the cost basis of the investment adjusted for SCF’s ownership interest in partners’ capital to which a proportionate share of net assets is attributed. The fair value of the C&H Investment Co. Inc. preferred stock is determined by calculating the present value of expected future cash flows. The estimated fair value of investments in the limited partnership and preferred stock does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 4—LEASES

SCF has an operating lease for office space in Madison, Wisconsin, that has a term of 10 years and expires October 31, 2032. SCF also has a variable lease for parking space with the same term and expiration. The lease includes variable payments based on the number of parking spaces used by SCF each month. SCF also has a short-term lease for storage space.

The components of total cost are as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 62,667	\$ 61,139
Short-term lease cost	1,380	1,380
Variable lease cost	<u>7,343</u>	<u>7,164</u>
Total lease cost	<u>\$ 71,390</u>	<u>\$ 69,683</u>

The maturities of operating lease liabilities as of are as follows:

Year ending December 31:	
2026	\$ 64,234
2027	65,840
2028	67,489
2029	69,173
2030	70,902
Thereafter	<u>134,493</u>
Total minimum lease payments	472,131
Less imputed interest	<u>(98,026)</u>
Total lease liabilities	<u>\$ 374,105</u>

Supplemental cash flow information and other information related to operating leases is as follows:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 62,667	\$ 61,139
Other information related to operating leases was as follows:		
Weighted-average remaining lease term	6.83 years	7.83 years
Weighted-average discount rate	5.74%	5.74%

**THE SAND COUNTY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

**NOTE 5—GRANTS PAYABLE**

Grants authorized but unpaid at year-end are reported as liabilities. Grants payable are due to be paid in less than one year.

SCF has authorized several grants that are conditioned upon subrecipients incurring qualifying expenses. At December 31, 2025, these conditional grant awards by SCF total approximately \$8,000,000.

**NOTE 6—LINE OF CREDIT**

SCF has a \$500,000 line of credit that was unused at December 31, 2025. Advances on the line of credit carry an interest rate equal to the highest U.S. prime rate published in the Wall Street Journal's Money Rates table plus .75%. The line of credit expires February 25, 2027, and is secured by SCF's investments.

**NOTE 7—NET ASSETS**

SCF's board of directors has designated net assets without donor restrictions for the following purposes:

	2025	2024
Good Oak Endowment Fund	\$ 6,755,448	\$ 6,336,365
Coleman Family Fund	62,978	332,062
Haglund Ecology Fund	545,477	465,521
	\$ 7,363,903	\$ 7,133,948

Net assets with donor restrictions are restricted for the following purposes:

	2025	2024
Subject to appropriation		
Kennedy Endowment	\$ 1,248,026	\$ 1,150,992
Endowment for Earthworks	-	2,415,140
Purpose restrictions		
Earthworks Fund	2,390,013	-
Agricultural Conservation	240,367	370,397
Leopold Conservation Award®	110,000	110,000
	\$ 3,988,406	\$ 4,046,529

**NOTE 8—RETIREMENT PLAN**

SCF sponsors a defined contribution plan covering all employees who are at least eighteen years of age and have worked for SCF for one month. SCF makes matching contributions to the plan up to 4% of the participating employee's gross annual compensation. Employees are 100% vested in all contributions made on their behalf. Retirement expense for the years ended December 31, 2025 and 2024, was \$53,756 and \$56,068, respectively.

**THE SAND COUNTY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

**NOTE 9—CONTRIBUTIONS OF NONFINANCIAL ASSETS**

Contributed nonfinancial assets recognized within the statements of activities include:

	2025	2024
Video production services	\$ 62,500	\$ 62,000
Catering services	7,000	10,215
Award presentation	8,880	3,250
	\$ 78,380	\$ 75,465

Video production services, catering and award presentation services were used in the Leopold Conservation Award program. The fair value of the video production services is based on current rates for similar services. Catering and award presentation services are valued based rates for similar services in the market at the time of the supported events.

**NOTE 10—LIQUIDITY AND AVAILABILITY**

The following table reflects SCF's financial assets as of the date of the statement of financial position, reduced by amounts not available for general expenditures within one year of the date of the statement of financial position because of donor-imposed restrictions or internal board designations:

	2025	2024
Cash	\$ 647,712	\$ 904,502
Unconditional promises to give	1,628,400	734,821
Accounts receivable	11,854	105,257
Investments	11,056,093	10,762,920
Financial assets at year-end	13,344,059	12,507,500
Less those unavailable for general expenditures within one year due to:		
Donor-imposed restrictions:		
Restricted by donor with purpose restrictions	(3,988,406)	(4,046,529)
Board designations:		
Designated for the Good Oak Endowment Fund	(6,755,448)	(6,336,365)
Designated for the Coleman Family Fund	(62,978)	(332,062)
Designated for the Haglund Ecology Fund	(545,477)	(465,521)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,991,750	\$ 1,327,023

SCF's board of directors can authorize additional distributions from the Good Oak Endowment Fund, the EarthWorks Fund, Coleman Family Fund, and Haglund Ecology Fund. SCF also has a line of credit in the amount of \$500,000, which it could draw upon in the event of an unanticipated liquidity need. Any board-designated net assets can also be made available if necessary.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 11—ENVIRONMENTAL POLICY INNOVATION CENTER (EPIC)

SCF operated as the fiscal sponsor of EPIC through October 31, 2023, when EPIC established separate operations and obtained tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The fiscal sponsorship was terminated in 2024. Grants paid to EPIC during the year ending December 31, 2024 totaled \$6,465,230.

NOTE 12—ENDOWMENT

SCF's endowment consists of two funds. The endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

SCF is subject to Wisconsin's Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of SCF has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor restricted endowment funds, SCF considers a fund to be underwater when the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. SCF has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, SCF considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of SCF and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of SCF, and (7) the investment policies of SCF.

SCF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. SCF works with its investment committee and two independent advisors to achieve positive investment results. These individuals are charged with measurement of investment results and presentation to SCF's board of directors.

To satisfy its long-term rate of return objectives, SCF relies on its investment committee and independent advisors to implement strategies and evaluate investment performance against appropriate benchmarks where investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**THE SAND COUNTY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

NOTE 12—ENDOWMENT (continued)

Endowment net asset composition by type of fund is as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 6,755,448	\$ -	\$ 6,755,448
Donor-restricted endowment funds			
Original donor-restricted gift amount	-	1,000,000	1,000,000
Accumulated investment gains	-	248,026	248,026
<b>Total funds</b>	<b>\$ 6,755,448</b>	<b>\$ 1,248,026</b>	<b>\$ 8,003,474</b>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 6,336,365	\$ -	\$ 6,336,365
Donor-restricted endowment funds			
Original donor-restricted gift amount	-	3,500,000	3,500,000
Accumulated investment gains	-	66,132	66,132
<b>Total funds</b>	<b>\$ 6,336,365</b>	<b>\$ 3,566,132</b>	<b>\$ 9,902,497</b>

Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - at January 1, 2024	\$ 6,391,647	\$ 4,128,905	\$ 10,520,552
Investment return, net	795,803	346,792	1,142,595
Appropriation for expenditure	(851,085)	(909,565)	(1,760,650)
Endowment net assets - at December 31, 2024	6,336,365	3,566,132	9,902,497
Net asset reclassification	-	(2,331,986)	(2,331,986)
Investment return, net	743,524	210,167	953,691
Amounts appropriated for expenditure	(324,441)	(196,287)	(520,728)
<b>Endowment net assets - at December 31, 2025</b>	<b>\$ 6,755,448</b>	<b>\$ 1,248,026</b>	<b>\$ 8,003,474</b>

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 13—PAYCHECK PROTECTION PROGRAM LOAN

On April 21, 2020, SCF received a \$288,785 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On November 2, 2020, the SBA preliminarily approved forgiveness of the loan. SCF must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review SCF's good-faith certification concerning the necessity of its loan request, whether SCF calculated the loan amount correctly, whether SCF used loan proceeds for the allowable uses specified in the CARES Act, and whether SCF is entitled to loan forgiveness in the amount claimed on its application. If SBA determines SCF was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the loan amount.

**THE SAND COUNTY FOUNDATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
United States Department of Agriculture				
University of Georgia Research Foundation Inc.—Conservation Reserve Program	10.069	SUB00003797	\$ -	\$ 25,447
Regents of the University of Minnesota—Sustainable Agriculture Research and Education	10.215	H011845003	-	38,300
National Fish and Wildlife Foundation—Soil and Water Conservation	10.902	0501.21.071799	-	34,542
Soil and Water Conservation	10.902		<u>36,025</u>	<u>290,227</u>
Total 10.902			36,025	324,769
Environmental Quality Incentives Program	10.912		-	139,588
Conservation Stewardship Program	10.924		-	43,643
Regional Conservation Partnership Program	10.932		<u>681,192</u>	<u>1,397,644</u>
Total United States Department of Agriculture			753,242	1,969,391
United States Environmental Protection Agency Geographic Programs—Gulf of America Program	66.475		<u>-</u>	<u>288,314</u>
<b>Total expenditures of federal awards</b>			<u>\$ 753,242</u>	<u>\$ 2,257,705</u>

See accompanying notes to schedule of expenditures of federal awards.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2025

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NOTE 1—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of The Sand County Foundation, Inc. under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The Sand County Foundation, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Sand County Foundation, Inc.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3—INDIRECT COST RATE

The Sand County Foundation, Inc. has elected to use the de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
The Sand County Foundation, Inc.  
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of The Sand County Foundation, Inc., which comprise The Sand County Foundation, Inc.'s statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 12, 2026.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The Sand County Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Sand County Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Sand County Foundation, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Sand County Foundation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wegner CPAs LLP

Wegner CPAs, LLP  
Madison, Wisconsin  
May 12, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
The Sand County Foundation, Inc.  
Madison, Wisconsin

**Report on Compliance for Major Federal Program**

***Opinion on Major Federal Program***

We have audited The Sand County Foundation, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Sand County Foundation, Inc.'s major federal program for the year ended December 31, 2025. The Sand County Foundation, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Sand County Foundation, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

***Basis for Opinion on Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Sand County Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for major federal program. Our audit does not provide a legal determination of The Sand County Foundation, Inc.'s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Sand County Foundation, Inc.'s federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Sand County Foundation, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements

referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Sand County Foundation, Inc.'s compliance with the requirements of major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Sand County Foundation, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Sand County Foundation, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Sand County Foundation, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
May 12, 2026

**THE SAND COUNTY FOUNDATION, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended December 31, 2025

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Is a material weakness in internal control over financial reporting disclosed?	No
Is a significant deficiency in internal control over financial reporting disclosed?	None reported
Is any noncompliance that is material to the financial statements disclosed?	No

**Federal Awards**

Type of report the auditor issued on compliance for major federal programs:	Unmodified
Is a material weakness in internal control over major federal programs disclosed?	No
Is a significant deficiency in internal control over major federal programs disclosed?	None reported
Is any audit finding that is required to be reported under 2 CFR 200.516(a) disclosed?	No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.932	Regional Conservation Partnership Program

Dollar threshold used to distinguish between Type A and Type B programs, as described in 2 CFR 200.518(b)(1):	\$ 1,000,000
Did the auditee qualify as a low-risk auditee under 2 CFR 200.520?	Yes

**FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.