



RUBY HABITAT FOUNDATION

ANNUAL REPORT 2011

TRANSITION

On January 27, 2011 we lost our founder and dear friend, Craig Woodson. With his passing, his vision for the Ruby Habitat Foundation, which began to take shape in 2002, has reached a monumental milestone. As you will see reflected in our financial statements, via a testamentary gift, the Woodson Ranch has transferred to the Foundation, along with a very generous endowment providing for ranch operations. Since the Foundation's formation, every passing year has marked significant achievements. Craig inspired and motivated the Foundation to aggressively pursue our mission and accomplish our goals. Everyone involved is proud to be a part of such an innovative and effective effort to make a difference in our community. The Woodson Ranch provides us a location to continue to experiment and demonstrate innovative practices. Craig's endowment makes those practices financially possible. In his memory, we will continue to raise the awareness of a conservation ethic and demonstrate specific conservation practices that have application in our area.

Martha Woodson and other members of the Woodson family continue their personal dedication to the efforts of RHF and hold a strong conviction that along with providing stewardship for the ranch, the work of the Foundation must have practical application. The Foundation is committed to open space protection and habitat development in concert with agricultural viability in our community.

Our relationship with the Montana Land Reliance, which Craig wisely nurtured, continues to prove mutually beneficial. The staff, directors and friends of MLR have proven invaluable to RHF and we look forward to a long and rewarding affiliation. Their commitment to a conservation ethic extends to the natural and financial resources entrusted to them. Their dedication to Montana is unwavering and inspirational.

Please take some time to look through our annual report, review the highlights of the past year and reflect on our progress toward accomplishing our purposes. Dr. Samuel Corl III has once again volunteered his creative talent to assemble this brief summation of our activities. I applaud his skill and dedication.

The current year marks our tenth year of operation and we look forward to it with great expectations. On behalf of the Board of Directors, I want to extend our heartfelt appreciation for the support of our many friends over the past decade. We believe we are making a difference but there is much yet to achieve in our effort to preserve and enhance conservation values of this great area.

I hope you will choose to continue to partner with RHF as we strive to maintain the integrity of our western landscape and heritage.



Les Gilman
Executive Director
Ruby Habitat Foundation



Ruby Habitat Foundation Board of Directors

Group A – Montana Land Reliance

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Business Owner/Rancher - Clinton, Montana

Rock Ringling, Vice-chairman

Managing Director, Montana Land Reliance – Helena, Montana

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Rancher – Sheridan, Montana

Executive Director

Les Gilman

Sheridan, Montana

Founder

Craig Woodson 1934-2011

Sheridan, MT

The Montana Land Reliance Board and staff all had to take a deep breath in 2011 with the passing of our good friend and mentor, Craig Woodson. With Craig gone, all of the planning, the discussions, and the decisions he made with Martha and the RHF Board became reality. All of us could no longer look across the table and say, "Well Craig, what do you want to do?" We now had to look at ourselves and make the decisions about RHF and carry on the vision ourselves. I know that I find myself standing at Craig's memorial and having conversations with him; thinking about what's next, and worrying frankly about the responsibility we all now carry. What a blessing that we had nine good years to put it all together. And as you read this annual report its great to be in partnership with RHF and all the wonderful initiatives that are being enacted.



Rock Ringling
Managing Director
Montana Land Reliance

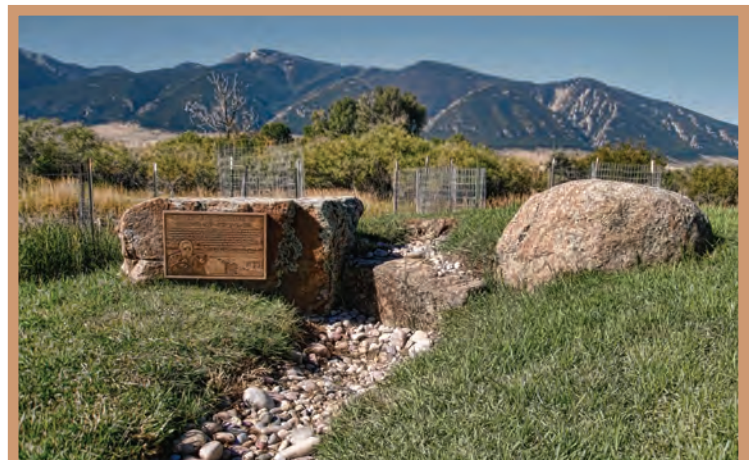
As I reflect on the year 2011 it brings on a certain amount of sorrow in thinking of the death of our founder, Craig Woodson. He was a man that made the time spent with him refreshing as well as inspiring. I will always miss those times but also treasure the memories. He will not soon be forgotten.



Craig's planning and foresight made the transfer of Woodson Ranch along with a generous endowment for operation to Ruby Habitat Foundation a very smooth process. Craig and Martha's generosity has been a true testimony of the kind of people we would all aspire to become. Their families have been supportive of the decisions they have made and this speaks to the leadership and vision that has been revealed through their lives.

We at Ruby Habitat Foundation are dedicated to continuing to be examples of a high level of stewardship of the land and resources on Woodson Ranch. We will continue to seek innovative approaches to diversify production agriculture with the goal of long term viability, thus maintaining open space and providing stability to the local economy and families. To create a diverse habitat for wildlife within an agriculture setting has been one of the areas of Craig's focus. Some of these projects have been ongoing for enough years to show real results. It is exciting to see how even a small area can be transformed into a special home for some of our wildlife neighbors. Woodson Ranch has a unique combination of water resources. Both water fowl and fish habitat are in abundance on the ranch and are easily viewed. We are continuing to work on the existing projects, starting new projects and looking for new ideas to explore and develop. All of these add up to provide us with a platform to use for educational opportunities. There has been much accomplished but in resource conservation there are also many challenges. Our goal is to be a positive influence in the Ruby Valley and southwestern Montana.

Neil Barnosky
Chairman, Ruby Habitat Foundation



Our permanent memorial to Craig Woodson, located at the confluence of Cattail Creek and the Ruby River, adjacent to Craig's favorite bend in the river, the "Telephone Pool".

Photo Credits:

Front and Back Covers: - RHF Landscapes -Sam Corl

Page 3: *Memorial* - Logan Miller, Ranch Resources

Page 4: Lower Two Photos - Dan Durham, NRCS

Upper Photo - Logan Miller, Ranch Resources

Page 5: Aerial Photo - Public Domain

Page 6: Ducks in Marsh Pool - Sam Corl

“Soil is an amazing substance. It is a complex mix of ingredients: minerals, air, water, and organic matter—the countless micro-organisms and the decaying remains of once living things. Soil is made of life and soil makes life.”¹

The high cost of inputs including fuel and fertilizer, the ever growing demand for food, the rapidly changing technologies in farming and production agriculture’s role in protecting the environment all motivated the Ruby Habitat Foundation and the local Natural Resources Conservation Service field office to initiate a long term trial demonstrating and comparing the effect of traditional and new, innovative practices on the health of the soil. Over the five year life of this trial, we will illustrate and quantify the economic and biological effects of a variety of farming practices. Progress and results of our findings will be reported in our annual report and through workshops to local producer groups in the area.

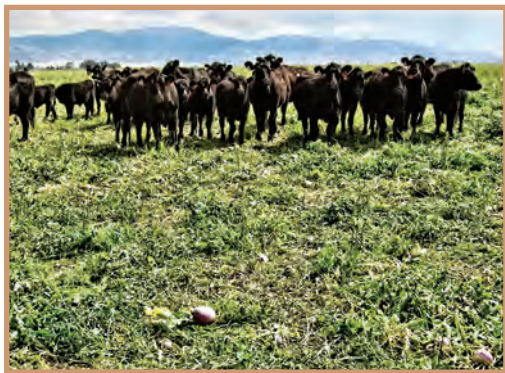
During the winter and early spring of 2011, the NRCS organized and conducted two well attended workshops featuring guest speakers on the subject of soil health. In the spring, the foundation purchased the seed and fertilizer for the trial and irrigated the crops on the 45 acres that were set aside for the project. Prior to farming, soil samples were taken for a full food web soil analysis to determine general soil health including population densities of beneficial nematodes, protozoa, bacteria and fungi. The NRCS provides technical assistance and monitoring. The foundation will market the crop and receive any proceeds. The late summer 2011 tour created a great deal of interest in the trials.

Plot 1. Fifteen acres were farmed and cropped under what have been traditional practices. The plot was plowed, disced twice, cultipacked and then drilled with hay barley seed. The crop was later harvested for hay.

Plot 2. Fifteen acres were sprayed to kill the historic hay stand on the field and reduce competition to the new crop. One third of the plot was no-till drilled to hay barley. The remaining two thirds of the plot were no-till drilled to a mixture of hay barley and winter peas. These crops were also later harvested for hay.



Plot 3. The remaining fifteen acres were also sprayed to reduce competition and then no-till drilled with a soil health cover crop containing oats, radishes, turnips, millet and sunflowers. “The use of cover crops is steadily increasing throughout the United States. Many no-till farmers consider cover crops to be the next step in conservation agriculture. Leaving the soil undisturbed and keeping something growing as many days as possible restores the natural cycles of the soils. Residues and roots create more organic



matter in the soils. Increased organic matter serves as a food source to various soil organisms and increases the biological activity. Higher biological activity increases nutrient cycling and availability and also reduces nutrient loss due to run off. With all this activity, soil structure and tilth are improved, increasing infiltration rates and reducing compaction.”² Late in the fall, the cover crop was lightly grazed by cattle and the remainder of the crop left to decompose.



¹ www.iheartsoil.org

² Conservation Technology Information Center
website: www.ctic.org/Cover%20Crops/

As the project progresses, soil samples will be taken on each of the plots and compared to determine the effect on soil nutrients and soil microorganisms by each of the treatments. Treatments will be added to the trial annually to incorporate other cropping practices that are common to the area as well as additional innovative practices. In 2012, Plot 1 will be divided with one third remaining in conventionally tilled barley, one third planted to the full season soil health cover crop and the final third being planted to conventionally tilled barley in the spring and following harvest it will be planted to a fall, soil health cover crop. Economic and production data will also be collected and compared to determine the results. Watch for the data as they are collected and reported over the next five years.



2011 RHF SUPPORTERS

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Mary & Arthur Apkarian
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Jenny & Steve Wood
Buck Woodson & Family
Craig Woodson
Martha Woodson
Mr. & Mrs. Lance Woodson & Family
Shirley A. Woodson
Laurilyn & Greg Wysocki
Al Zimmerman

Organizations

The Braewold Fund
The Community Foundation for the
National Capital Region
The Donnelley Foundation
Fidelity Charitable Gift Fund
Friends of the Curry Center
Gettelman Philanthropic Fund
Hamilton Ranch
Hells Canyon Creek, LLC
J.D.L. Construction
Jewish Community Endowment Fund
Kenworthy Electric, Inc.
Luther King Capital Management
Peregrine Capital Management Fund
of the Minneapolis Foundation
National TB Controllers Assoc.
P & J Ranches
Rockpoint, LLC
R.L. Winston Rod Co., Inc.
Ruby Valley Lodge, LLC
SaltChuk Resources, Inc
Shannon, Gracey, Ratliff & Miller, LLP
SRI Ranch Holding
Sweetgrass Rods, LLC
Taylor Family Fund
Thomas U. Warren, Inc.

In Memoriam

Chester Anglen
Marian Carlson
Joan Kanouse
Dick Lower
Richard Norton
John Robertson
Scott Waldie
Craig Woodson
Gus Wuefling

Ruby Habitat Foundation 2011 Financial Data

Foundation Operations:

Income	\$	70,501
Expenses		61,926
Net Income	\$	8,575

General Fund Cash & Investments:

(Pays the day-to-day expenses that finance the operation of the foundation) \$ 33,065

Rural Heritage & Open Lands Fund:

(Designed to provide funding for outreach and land conservation efforts.

General fund surpluses and designated gifts create the balance of this account.) 173,754

Hill Education & Outreach Endowment:

(Income from this endowment finances conservation education and outreach to landowners and the general public. These funds come from designated gifts.) 21,044

Other assets:

(Donated art and books in inventory) 49,274

Visitor Center Building 39,633

Foundation Operations Assets as of 12-31-2011 \$ **316,770**

Woodson Ranch & Endowment

Income	\$	12,282,242 ¹
Expenses		184,726
Net Income	\$	12,097,516 ¹

Fixed Assets

Equipment \$ 143,048

Improvements 230,000

Land 7,730,000²

Woodson Ranch Endowment 4,703,011³

Ranch & Endowment Assets as of 12-31-2011 \$ **12,806,059**

1 Income includes restricted endowment and land gift in excess of 12,000,000 as part of the Craig Woodson estate

2 Restricted land donation subject to life estate

3 The income from Woodson Ranch Endowment will be used for the operation and maintenance of the Ranch, to ensure its protection and continued viability.

Ruby Habitat Foundation Combined Total:

Net Income 2011	\$	12,106,091
Total Assets as of 12-31-2011	\$	13,122,829

RHF is a 509(a)(3) tax-exempt support organization to the Montana Land Reliance, a 501(c)(3) corporation.

Our tax identification number is 45-0487621. Each entity is audited annually and independently.

Audit copies are available upon request.



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