

2023 ANNUAL REPORT

ARIZONA

LEADERSHIP STAFF

Daniel Stellar, *State Director*

Diana Bermudez, *Director of Strategy*

Heather Beshears, *Director of Strategic
Communications and Marketing*

Scott Deeny, *Director of Conservation*

Rebecca Garrett, *Director of Development*

Christian Stumpf, *Director of External Affairs*

Sonja Stupel, *Director of Finance and Operations*

BOARD OF TRUSTEES

AS OF DECEMBER 2022

This dedicated group of leaders motivate our team, encourage us to take risks and inspire us by their commitment to a healthy future for Arizona.

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Secretary Karen L. Peters

Treasurer Tammy McLeod, PhD

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Maja Wessels

For nearly 60 years, The Nature Conservancy in Arizona has dedicated itself to protecting and preserving Arizona's natural resources.

Our state, with its unique and critical location in the United States, hosts habitats that support the third-highest level of wildlife and plant diversity in the country. Arizona's landscapes span from low desert to high desert, grassland to forest and since 1966, with the support and engagement of donors, volunteers, and partners, the Conservancy has invested itself in protecting it all.

It is abundantly clear that climate change is impacting the world today - we see evidence of that in Arizona with larger, more frequent wildfires, ongoing drought, reduced wildlife populations and suffocating heat in our urban areas. We do not have the luxury of time; we need action now.

We've always taken on complex challenges, and though this may be the most difficult yet, we are already taking action in new ways. Instead of thinking of conservation at a program or project level, we are tackling issues in a broader capacity. We are shifting perspective and broadening our view to think holistically. The Conservancy, and the Arizona chapter are identifying connections to increase scope and impact. Our team and partners are addressing priority projects with the power of collaboration—and your support.



Building off these decades of knowledge, we are accelerating the pace and scale of our work through four comprehensive themes for Arizona: Conserving our Lands and Waters, Restoring our Forests, Building Healthy Cities and Taking Climate Action.

Our work continues with increased collaboration among our programs and overarching themes of science-based impact and climate.

Sincerely,

A handwritten signature in black ink that reads "Daniel S. Stellar".

Dan Stellar, TNC AZ State Director

Our Mission: To conserve the lands and waters on which all life depends.

It's the actions we as trustees and staff at TNC make today that can ensure a bright future for Arizona tomorrow.



As your new Arizona board chair, I am honored to be a part of an amazing group of leaders for the Arizona chapter. It is a little bittersweet as many of you may know that Sydney Dye, our past board chair, passed away last year. She leaves a legacy of collaboration, support and dedication upon which I plan to continue in her honor.

The Arizona chapter is healthy. This is due to the leadership of our present and past trustees, staff, donors and members.

That said, we are taking on big challenges. Our strategic plan and the collective goals of The Nature Conservancy will mean we all need to continue leaning in to make a difference and at increasing scale. We've done this before and I have no doubt that together we can accomplish even more.

In my role as trustee, and now chair, this is a heartfelt commitment to working together. My wife and I both grew up in Arizona along with our four wonderful children - I want them to enjoy all that makes Arizona so special for decades to come.

Thank you so much for being a part of that journey.

Sincerely,

A handwritten signature in blue ink that reads "Jacob Tetlow". The signature is fluid and cursive.

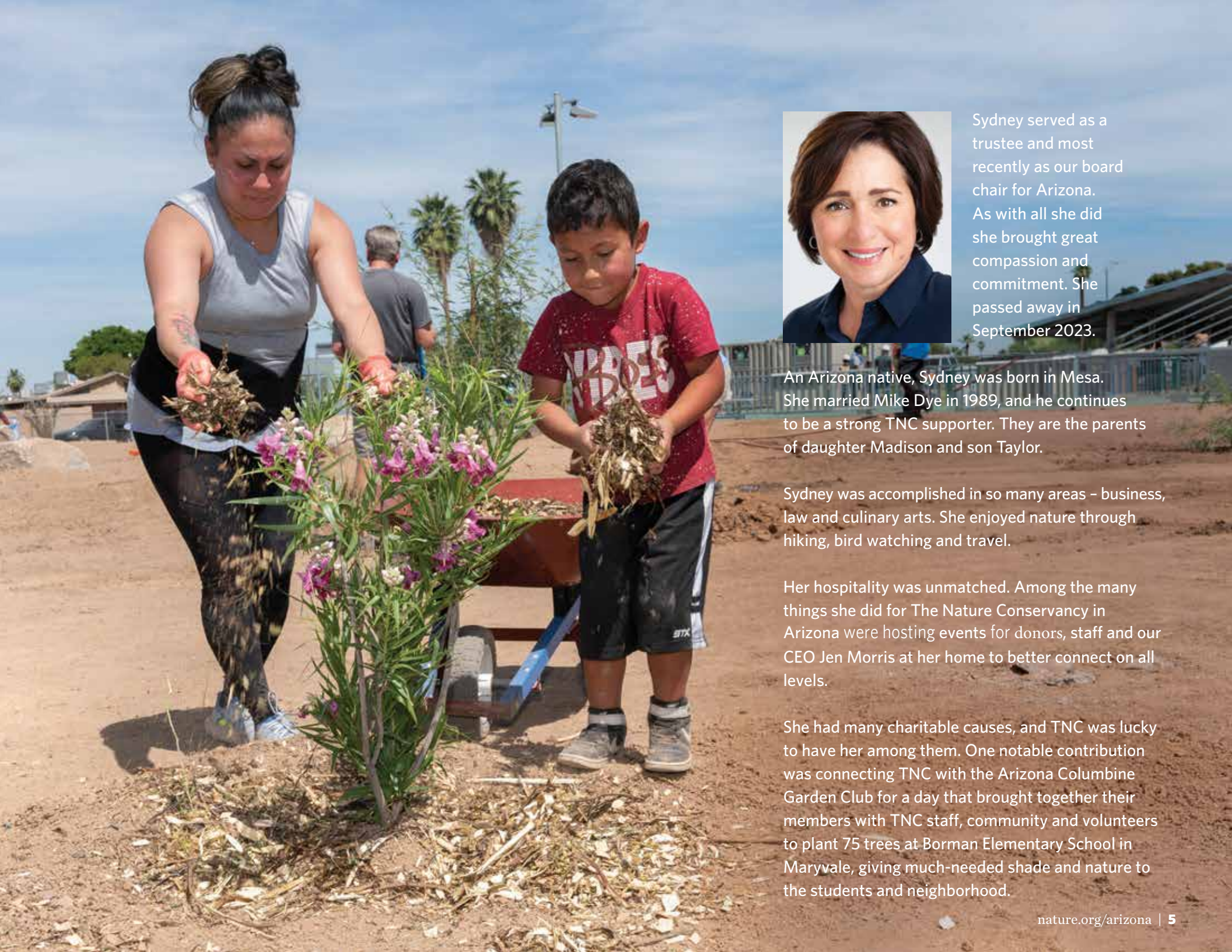
Jacob Tetlow



**A tribute to
Sydney Dye**

...

**Her spirit and
energy will
be missed.**



Sydney served as a trustee and most recently as our board chair for Arizona. As with all she did she brought great compassion and commitment. She passed away in September 2023.

An Arizona native, Sydney was born in Mesa. She married Mike Dye in 1989, and he continues to be a strong TNC supporter. They are the parents of daughter Madison and son Taylor.

Sydney was accomplished in so many areas - business, law and culinary arts. She enjoyed nature through hiking, bird watching and travel.

Her hospitality was unmatched. Among the many things she did for The Nature Conservancy in Arizona were hosting events for donors, staff and our CEO Jen Morris at her home to better connect on all levels.

She had many charitable causes, and TNC was lucky to have her among them. One notable contribution was connecting TNC with the Arizona Columbine Garden Club for a day that brought together their members with TNC staff, community and volunteers to plant 75 trees at Borman Elementary School in Maryvale, giving much-needed shade and nature to the students and neighborhood.



Protecting our Lands and Waters

Arizona contains some of the most biodiverse, natural areas in the Southwest. The region spans sub-tropical to temperate climate zones and plays a critical role in facilitating species movement at the continental scale. Maintaining this globally unique mix of plants and animals in a rapidly changing world requires significantly increasing the scope and scale of conservation activities.

Arizona is home to a large piece of the Apache Highlands, an area that spans 30 million acres across four states and is an area of exceptional ecological significance. This area encompasses the Sky Island region, freshwater resources like the San Pedro River, wildlife corridors and essential bird migration, and stunning diversity of landscapes.

Some of the ways that we ensure the long-term protection of this biologically unique region include protecting and maintaining preserves, stewarding lands and waters under our management, restoring lands to their natural states, and identifying additional priority areas for protection.

All of our work is connected. Protection staff worked with several partners to submit a funding proposal through the Natural Resource Conservation Service Regional Conservation Partnership Program and are excited to share our success in bringing \$12M in funding to this important landscape. Funding will be used to purchase conservation easements from private landowners. We believe that easements are the best tool to accomplish three primary goals:

1. **protecting** the underground aquifer by limiting groundwater withdrawals
2. **conserving** high priority grasslands habitat
3. **maintaining** key migratory corridors for wildlife, including a large pronghorn antelope population.

Working with several partners we secured funding to protect several tracts of private land along Sonoita Creek. These land and water rights transactions are focused on protecting the last unprotected 9-mile stretch of the creek and important springs.



In 2023, we turned over the property and water rights for Otter Waters, a tract of land along the Verde River, to our frequent collaborators, the Yavapai-Apache Nation. Through numerous successful projects, TNC has developed a strong relationship with the Nation and our conservation goals are aligned. We were honored to facilitate the return of this property, that had long ago been theirs, knowing it will be well protected by an important partner.

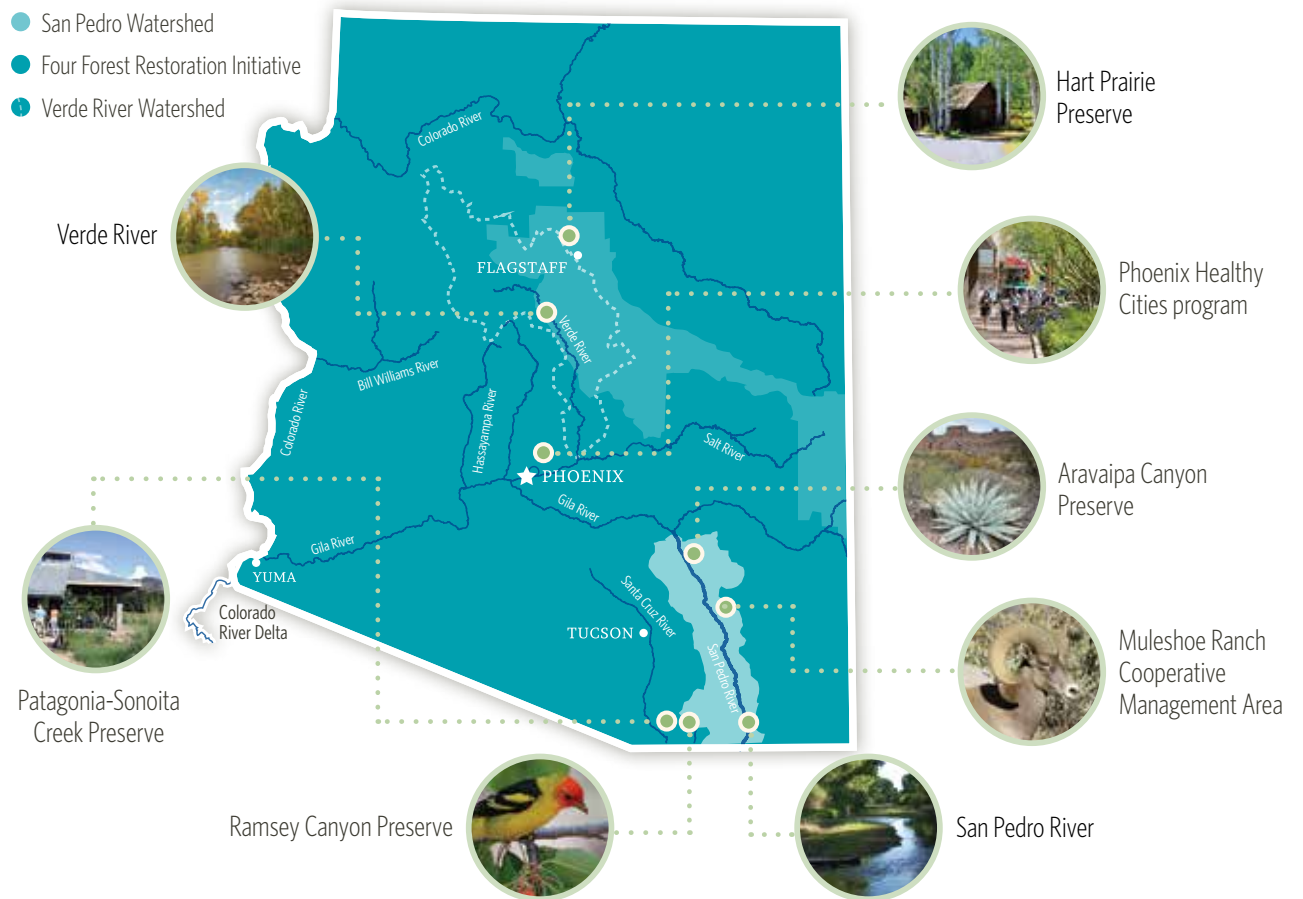


Our Preserves

Arizonans value the land and outdoors. As a significant land manager – and often partner with other organizations across the state we demonstrate the effectiveness of thoughtful

and intentional management practices. This collaboration has ensured that many valued areas are protected for future generations.

In partnership with Arizona Game and Fish Department, TNC joined in submitting a successful grant proposal through the USFWS Recovery Land Acquisition Grant program that ranked #1 nationally in the grant proposal process and will lead to \$2.3M of federal funds. This funding will be used by TNC and partners towards high priority land protection projects in the Sonoita Creek watershed.







Water Program

Arizona boasts a network of rivers, tributaries and streams that feed our economy and way of life. Freshwater resources in Arizona are vital for the people and wildlife of our state. Our freshwater systems serve as host to 21 species of native fish, 12 native amphibians, migratory birds, pollinating insects and bats. As we shape our conservation plans, we need to address water



security for all communities. By collaborating with diverse partners, such as municipalities, agricultural firms, and recreational organizations, we will ensure all needs are being met.

But, we face significant threats. We match our solutions. This means working with agriculture to update equipment and develop markets for low-water use crops. It also means working with rural communities on planning projects. To protect native fish, we're conducting a long-needed assessment to understand native fish populations, the threats to them, and how to better improve habitat. Key public, state trust and Tribal lands have enhanced protections through strategic engagement on science and policy.

We celebrated the 25th year of the San Pedro wet-dry mapping project, with many volunteers who lend their time to help us bring together the science and data to evaluate the health of our water supply in the continuing drought. Every June, since 1999, more than 100 volunteers, staff and partners in Arizona and Mexico have come together to walk the waterway, documenting where the water is flowing and where the riverbed is dry.



We secured \$2.3M in grant funding that will allow for restoration of streamflow and protection of critical springs.

In the Verde Watershed, nearly \$3 million has been secured by the Verde Natural Resources Conservation District from Water Infrastructure Finance Authority to improve the efficiency of irrigation ditches, keeping farms in production while leaving more water in the river.



Restoring our Forests

The Conservancy has been working in the forests of Northern Arizona for more than 20 years. Due to mandated fire suppression and climate change, areas such as the largest continuous ponderosa pine forest in the country, found in Northern Arizona and New Mexico, are at enormous risk of wildfire and tree mortality. Our Four Forest Restoration Initiative (4FRI) laid the groundwork for notable accomplishments in forest resilience, including carbon storage, water availability, growth, regeneration, mortality, and wildfire frequency and severity.

Some key wins in 2023 include:

- Completion of the Walker Hill demo project
- U.S. Forest Service and private sector study across 410 acres

- Completion of the Parks West Project, the largest 4 Forest Restoration Initiative where we worked across 6,000 acres
- Two major science studies that involved collaboration across Western states — including one of the most extensive studies assessing forest regeneration following 334 wildfires across the West. Findings were published in the prestigious *Proceedings of the National Academy of Science*, and gained widespread media coverage. A second collaboration identified places where ongoing wildfire mitigation efforts optimize protecting communities, critical infrastructure and the areas that would best benefit carbon capture.



“This type of science collaboration strengthens our efforts to support land managers in designing and implementing effective projects with multiple benefits, making good work even better. It also is key in informing our overall efforts to address the wildfire crisis facing our nation’s forests by doing the right work, in the right place, at the right time.”

~ **Randy Moore**,
USDA Forest Service Chief





The TNC Arizona Healthy Cities Team and Phoenix Revitalization Corporation were awarded three prestigious awards at Arizona Forward's 41st Annual Environmental Excellence Awards for the Urban Heat Leadership Academy. The project won the Crescordia Award in the Healthy Communities category, an Award of Distinction in the Environmental Education and Communication category, and the 2023 President's Award, the top honor of all submissions.

Building Healthy Cities

Cities are particularly vulnerable to extreme weather events. The infrastructure, concentration of people, and often the location itself, put these communities at risk. By 2050, most of the world's population will live in cities, towns, and other urban areas. Fortunately, nature can play a key role in addressing challenges that cities face.

TNC works with communities in the Phoenix Metro Area to build healthy, cool, and climate-resilient cities. Maricopa County is the fastest growing and hottest large metropolitan area in the U.S. This year, the Healthy Cities Program increased the capacity of neighborhood leaders and created an online tool to inspire heat mitigating action.

Our approach to heat mitigation emphasizes nature-based solutions like planting native trees to create shade in the neighborhoods with the least and using water responsibly. These actions decrease urban temperatures for people and help to support native wildlife like birds and other pollinators.



StoryMap: Changing the Story of Heat in Metro Phoenix

In a summer of record-breaking heat in the Valley, we launched an online public-facing web tool – a StoryMap called Changing the Story of Heat in Metro Phoenix Together—which features perspectives from residents, data to explore heat inequities, solution ideas, and tangible ways to reduce urban heat at a personal, neighborhood and city level.

These innovations help us in reaching our short- and long-term goals of increasing the number of people in frontline communities who not only benefit from nature-based climate solutions but who are also given a seat at the table to make decisions that suit their neighborhoods and communities best.





Our chance to lead on climate action

Climate change is noticeably affecting Arizona. The world needs to hit net-zero greenhouse gases by 2050 to avoid the worst consequences of climate change. We endeavor to accelerate Arizona's path to carbon neutrality through the processes we are known for: collaboration and science-based solutions.

What started in 2018 as Arizona Thrives has grown into a broader climate program for our state. We continue to convene leaders across sectors throughout the state, knowing that this is a challenge not any one entity can solve.

While support grows for statewide conversion to clean energy, the undertaking is not without challenges. We strive to find a balance between the growing demand for Arizona's mineral deposits for alternative energy sources and our goal to combat biodiversity loss.

We recognize that the pathway forward includes expanded extraction of critical minerals and the construction of new industrial factories. But we also recognize that this pathway provides us with an opportunity to demonstrate for the rest of the country how to harness the material needed for healthier energy while also protecting



the natural assets, land, water, and wildlife we're trying to save.

We have big plans for change—but we can't do it alone. It's heartening to see community leaders in our cities, farmers adapting for water conservation, industry from all sectors coming together with a common goal of clean energy and healthy air now and in the future. We thank

you for believing in our mission since our start in Arizona in 1966. And we hope your support continues as we take on our biggest challenge yet. The stakes have never been higher, but together, we can protect this beautiful state. We can be a leader in developing healthier practices for the environment and an example for the rest of the country – and the world – to follow.



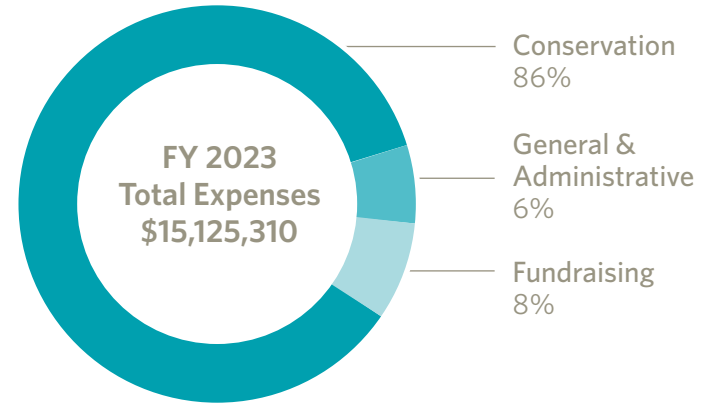
Your Support Matters

We strive to make use of every dollar donated to The Nature Conservancy with respect for the generosity and trust of every member, every supporter and all who have a stake in the conservation of the world’s natural resources.

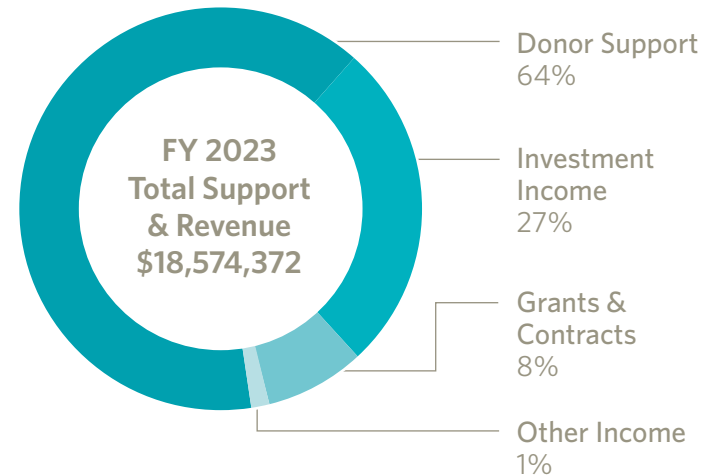
THE NATURE CONSERVANCY IN ARIZONA STATEMENT OF FINANCIAL POSITION

Assets	At June 30, 2023	At June 30, 2022
Operating Cash & Investments	\$8,185,946	\$5,618,722
Reserve and Land Cash & Investments	\$32,547,457	\$30,016,246
Endowment Cash & Investments	\$36,399,275	\$34,494,655
Pledges, Government Grants & Contract Receivables	\$2,629,817	\$5,863,541
Conservation Lands & Easements	\$47,340,597	\$47,720,597
Other Assets	\$2,582,428	\$2,391,930
Total Assets	\$129,685,520	\$126,105,691
Liabilities	\$989,952	\$860,119
Net Assets	\$128,695,568	\$125,245,572
Total Liabilities & Net Assets	\$129,685,520	\$126,105,691

Programmatic Efficiency



Support & Revenue



*These financial results are unaudited and chapter-specific. Please check nature.org for TNC-wide audited financials that are GAAP compliant.







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CREATE A LEGACY FOR GENERATIONS TO COME.

For our children and grandchildren, let's leave a world where people and nature thrive. Fortunately, you can support conservation and at the same time meet your financial goals, by making a planned gift to The Nature Conservancy. The Conservancy offers ways for you to maximize income and minimize taxes. We also accept gifts of real estate and appreciated assets.

FOR INFORMATION CONTACT

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