Building for the Future
PHOTOGRAPHY
Right: End Fund runs a school-based program in a village near Addis Ababa, Ethiopia, aimed at preventing several neglected tropical diseases. End Fund, a MACF grantee, serves 15.6 million school-age children through a targeted, integrated drug treatment approach.
Opposite: A bald eagle is released into the wild at the Raptor Center at the University of Minnesota, a grantee of Margaret A. Cargill Foundation’s Animal Welfare program.
Dear Friends,

2015 was a building year on two levels for Margaret A. Cargill Philanthropies. On a visible level, 2015 saw the bulk of construction to expand our permanent home in Eden Prairie, MN. While this work began in late 2014, and is to be completed in early 2016, the key components of our building’s design and environmental features took shape in 2015. Beyond the physical expansion of our building, we installed many innovative features reflecting our mission, such as a groundbreaking geothermal heating/cooling system, a rooftop garden, photovoltaic and solar thermal panels, a greywater drip irrigation system, and 15 tanks (in addition to our original four) to capture rainwater that will help native plants on our property thrive.

Less visible, but equally important to the Philanthropies’ mission, we designed and began building internal strategies and systems to ensure maximum impact of our grantmaking. In December, we achieved a significant milestone: $1 billion in grants made cumulatively by our three entities since our inception. And our grantmaking is up to the scale we anticipate maintaining going forward — about $250 million annually. So it is important for us to ensure we can sustain this level of activity while maximizing impact. These steps are critical to our success, but aren’t the kinds of activities that generate fascination on the outside.

We added to our staff, giving us deeper expertise in strategic development, evaluation, finance, investments, grants management, and administration, as well as several of our grantmaking areas, including Aging Services and Arts and Cultures.

Our grantmaking ramped up in specific areas, including Animal Welfare and Arts and Cultures, and we continued to make significant exploratory grants related to health and children/families.

During the year, Philanthropies’ President Paul Busch and I had the opportunity to join several program leaders and officers from Margaret A. Cargill Foundation and Anne Ray Charitable Trust on a site visit to Ethiopia. There we witnessed the work several of our grantees are doing to increase people’s ability to survive and live healthier lives in one of the most challenging places on the earth. What we learned will help shape our grantmaking focus and evaluation efforts going forward.

These activities reflected significant strategic planning that required much of leadership’s time in 2015. During the year, our boards made far-reaching decisions concerning our long-term grantmaking strategies. We made the decision to unify our grantmaking under the Margaret A. Cargill Philanthropies umbrella rather than continuing with separate program teams and strategies for each of our grantmaking entities.

We are now implementing our new grantmaking strategies. Next year’s Annual Report and letter from me will have additional details.

Until then, I hope you enjoy our Annual Report. It is a pleasure to share our 2015 accomplishments with you.

Christine M. Morse
Chief Executive Officer
Margaret A. Cargill Philanthropies
This page: In the summer of 2015, steel framing of our expanded headquarters was going up. The new structure was fully enclosed by winter.

Opposite: The handmade mechanisms of a Danish “smock” style windmill. The MACF Arts and Cultures team visited the windmill – moved from Denmark to Elk Horn, IA in 1976 – as part of its research into Scandinavian arts in the Upper Midwest.
2015 was a building year at the Philanthropies, literally and figuratively. Having reached the level of grantmaking we expect to sustain going forward — about $250 million annually by our three entities combined — our boards embarked on a deep analysis of our work to date, with the goal of ensuring we are having the greatest impact possible in our areas of interest.

We hit a milestone in 2015 that underscored the importance of this strategic review: We marked $1 billion in total grants by our three entities since our inception in 1995.

We engaged a team from philanthropy consultant Bridgespan to help us in this strategic review. Over the year we looked, not just at specific grant strategies, but at underlying processes to support our grantmaking. We made some key decisions about how to build our capabilities and better focus our grantmaking. We’ll be implementing these decisions in the years going forward.

Part of our work was recognizing the importance of the many functions that don’t directly make grantmaking decisions, but are critical to our success. Accordingly, we continued to build our staff in 2015, adding strength to our evaluation, finance, investments, strategic development, and administrative teams, as well as to several programs.

We did this work while housed in temporary offices as our permanent home underwent significant expansion. Our expanded headquarters includes many mission-related features that reflect our commitment to sustainability, our environment, and our community.

These features range from a geothermal heating/cooling system and greywater collection, to roof-mounted photovoltaic (solar) panels that will generate about 15 percent of our energy needs. Look for more details in our 2016 Annual Report, after we move back.
Our Philosophy of Grantmaking

Our grantmaking reflects our values and Margaret Cargill’s guiding principles and is always directed toward our mission and core purposes. We expect our grantmaking across all three grantmaking entities to have these characteristics:

We **lead with our values**, internally and externally.

We **partner with capable organizations** that have demonstrated their ability to work successfully in our interest areas and in a manner consistent with our values. We look to our grantees as partners and co-learners.

We provide **meaningful support to strategic grantees**.

We support **work in and with communities** toward sustainable solutions.

We pay special attention to **underserved** or **low-attention** areas, populations, or issues.

We value and affirm the **integration** of all functions of the Philanthropies in our grantmaking.

We make **measurable impact** on focused goals.

We **evaluate** our work, **reshape our approaches as we learn, share, and apply** our learning to future grantmaking.

All this we do, not to bring recognition to ourselves, but to support our grantees in the work **they** do to provide meaningful assistance and support to society, the arts, and the environment, in a manner consistent with our founder’s wishes and intent. **Done well, this will distinguish us.**

**PHOTOGRAPHY**

*Opposite:* Pohnpei, one of the Asian island nations participating in the Micronesia Challenge to preserve its marine and land-based resources. The Challenge was one of the first grantees of Margaret A. Cargill Foundation’s Environment program. The grant was renewed in 2015.

*This page:* Student artwork is hung out to dry at Idyllwild, an Akaloa Resource Foundation grantee.
This page: A young visitor tries in vain to catch the attention of a cat at San Diego Humane Society.

Opposite: Students enjoy music and nature at Idyllwild, whose curriculum spans music, visual, and performing arts.
Akaloa marked its 20th anniversary in 2015, and we celebrated internally and with grantees. Akaloa supports organizations specifically named by the late Margaret Cargill. Most of the $84.4 million in grants awarded cumulatively from Akaloa’s inception through 2015 have gone to eight designated beneficiaries that serve Southern California, Ms. Cargill’s longtime home. Our milestone anniversary was the theme of our annual Founder’s Day, when we celebrate Ms. Cargill’s vision and its realization through our grantees’ work.

This year, two grantees — St. Paul’s Retirement Homes and Mingei International, Inc., both based in San Diego — joined our celebration. Cheryl Wilson showed how Akaloa’s support has allowed St. Paul’s to serve a growing number of elderly in the San Diego area. Rob Sidner described arts opportunities available to San Diego-area residents, especially schoolchildren, because of Akaloa’s support.

Two of our designated beneficiaries honored Akaloa with naming rights. St. Paul’s named its new PACE (Program of All-Inclusive Care for the Elderly) center in Chula Vista, CA the “PACE Akaloa Center.” Idyllwild named its new health facility the “Akaloa Health Center.” Idyllwild also created an open space in the heart of its campus, and named it “Margaret A. Cargill Commons.”

In 2015, we celebrated a remarkable achievement of one of our long-time grantees, San Diego Humane Society & SPCA. In 2012, the society set a goal of zero euthanasia of treatable animals by 2018 — and met that goal in the summer of 2015.

To reach its goal, SDHS ramped up its spay-neuter surgeries, animal behavioral programs, foster care programs, and operational efficiencies. It also expanded its space to accommodate more at-risk animals. The society also credited its strong relationships with the San Diego County Animal Welfare Coalition.

Zero-euthanasia of healthy and treatable animals has been achieved in only about a dozen locations in two states. Akaloa anticipates that SDHS can be a model for peers nationwide.

Reflecting the Philanthropies’ value of learning, Akaloa initiated significant grants with five grantees, designed to evaluate the community impact of specific programs we support.

For example, American Red Cross San Diego & Imperial Counties Chapter is following up with participants in its Certified Nurse Assistant (CNA) training program to determine employment status and challenges program graduates face. The chapter also wants to understand the needs of those who employ CNAs, and how the Red Cross can best prepare nurse assistants to meet those needs. The chapter wants to identify specific challenges that CNA candidates encounter, such as barriers to passing the state exam or finding jobs.

KCETLink, based in Burbank, is evaluating the influence its Southern California environment-related programming is having on viewers. Specifically, KCET wants to learn whether and how its programming changes viewers’ opinions or leads to action.

In San Diego, KPBS also is evaluating its environment-related content to determine which topics are most important to its audience.

On the following pages, we honor our Akaloa grantees in photos that illustrate the work these organizations do every day to serve their Southern California constituents and communities.
Celebrating 20 years of Akaloa grantmaking
PHOTOGRAPHY
Opposite: A volunteer makes a new friend at the San Diego Humane Society.

This page, clockwise from top left: Youngsters test their archery skills at Salvation Army Sierra del Mar’s Pine Summit Camp in the mountains of Southern California.

Seniors embark on a shopping expedition thanks to transportation provided by St. Paul’s Retirement Homes Foundation in San Diego.

Computer technology allows the Red Cross, San Diego and Imperial Counties to track disasters and coordinate with other responders in real time.
Idyllwild has a strong program in Native arts, including pottery. Many teachers are Native master artists.

At KCETLink in Burbank, CA, story brainstorming includes low-tech, but easy to use, tools.

Technicians monitor broadcasting at KPBS in San Diego.

Mingei International is more than an art gallery; it is a classroom for children to make their own art, often inspired by the formal exhibitions.

Opposite: A camper climbs to a zip line at Pine Summit, run by The Salvation Army, Sierra del Mar Division.
The American National Red Cross, San Diego and Imperial Counties, CA
Disaster-cycle services, including San Diego and Imperial Counties Emergency Preparedness Index survey results; pre- and post-deployment resources and training for San Diego County military families; startup funding for a Certified Nurse Assistant Training program.

Idyllwild Arts Foundation, Idyllwild, CA
Scholarships for Native American Academy students; summer-program scholarships for Native American, music, and San Diego students; Arts Enterprise Laboratory to help students learn about and prepare for careers in the arts; support for the summer Native Arts Week; solar panels for roof of LEED-certified Health Center.

KCETLink, Burbank, CA
Environment and music programming significant to Southern California; evaluation of environment programming.

Mingei International, Inc., San Diego, CA
Visitor-experience enhancement; exhibition support, including publications; education, community-outreach, and evaluation support; staff and board professional development.

St. Paul’s Retirement Homes Foundation, San Diego, CA
Transportation services, including a new bus; day program for seniors with mild to moderate dementia; chaplain services on campus.

The Salvation Army, Sierra del Mar Division, San Diego, CA
Expansion of Family Arts and Literacy Program from four to eight elementary schools; Pine Summit and Kroc Center Summer Camp programs and scholarships; senior nutrition program; leadership training for officers and board.

San Diego Humane Society & S.P.C.A., San Diego, CA
Veterinary medicine; behavior-modification, and needs-based spay/neuter programs; salaries for Volunteer Program staff; training for senior staff.

San Diego State University Foundation for the use of KPBS, San Diego
Education, environment, and local programming; acquisition of non-PBS programming; One Book, One San Diego program; evaluation of environment programming; feasibility study for proposed remodel; in-house research and evaluation coordinator position; website upgrades.

AKALOA RESOURCE FOUNDATION’S 2015 GRANTEES

END-OF-YEAR ASSETS
$184,561,543

NUMBER OF GRANTS AWARDED
31

TOTAL VALUE OF GRANTS AWARDED
$4,537,665
2015 was another banner year for the Trust
2015 was another banner year for the Trust, with 60 grants approved, exceeding $110 million. During the year, the Trust had 144 active grants, totaling $321.7 million. More importantly, 2015 also was a milestone year for several of our designated beneficiaries.

**American Swedish Institute**
We are proud that the American Swedish Institute in Minneapolis won the Buildy Award for the Nelson Cultural Center, completed in 2012 with Trust support. The Buildy Award is given by the Mid-Atlantic Association of Museums to recognize outstanding museum construction projects. In honoring the cultural center, the association cited the building’s traditional Swedish aesthetics, use of sustainable technologies, and gardens that create a cohesive urban space shared by the institute and the community.

**American Red Cross-International Services Department**
The International Services Department (ISD) used Trust support to respond to eight underfunded natural disasters during the year. These included Tropical Storm Erika in Dominica, and flooding in Myanmar. A noteworthy aspect of ISD’s disaster management is its Cash in Emergencies initiative, which is a mechanism to provide cash to disaster victims during immediate relief and recovery phases. The Trust funded development of Cash in Emergencies and pilots programs in several countries, including Nepal, where ISD was the lead agency helping more than 40,000 families immediately following a devastating earthquake.

**Public Broadcasting Service**
PBS’ series *Earth: A New Wild* premiered to critical acclaim — and impressive viewership — in 2015. The series was created by PBS and National Geographic with Trust funding. Trust grantee The Nature Conservancy was among organizations that consulted on science-related content. More than 10 million viewers watched the series over its five-episode run, far outstripping PBS’ original goal of 2.8 million viewers. In addition, the series was viewed more than 500,000 times online by mid-2015.

PBS LearningMedia created a unique website to provide materials for teachers to use in classrooms, including five videos, six lesson plans, and an interactive program using *Earth* content.

**The Nature Conservancy**
The Conservancy used Trust support to complete two land acquisitions in Washington State — one on the Olympic Peninsula and one in the Cascades Range. The 2,600 acres of forest and floodplain in the Olympic Peninsula runs along six miles of the Clearwater River, an important salmon-bearing river that’s considered one of the last truly wild rivers in the U.S. The acquisition of 47,921 acres in the East Cascade forests brings the Conservancy closer to its goal of protecting 100,000 acres and fully reconnecting the Heart of the Cascades Range, reversing a legacy of land fragmentation and degradation.

Another Trust-supported acquisition involved 1,054 acres in southeastern Minnesota along the Root River, which feeds the Mississippi River. The acquisition reflects the Conservancy’s core work to protect fresh water and grasslands.

And California celebrated the resurgence of the Santa Cruz Island fox, which was on the brink of extinction only a decade ago. The Conservancy worked with the National Park Service, U.S. Fish and Wildlife Service, and the California Department of Fish and Game to implement an intensive, science-based recovery project that resulted in one of the fastest and most successful endangered-species recovery programs in American history.

**Y-USA**
We expanded our support of Y-USA’s camping programs. Our funding of scholarships allowed 9,400 children to attend resident camp for the first time, and more than 30,000 children to take swimming lessons. The Trust also
funded “expeditionary” camping experiences for the first time, in which teens spend up to two weeks in wilderness areas, such as national parks, developing leadership and other skills. Another 11,000 children participated in the Y’s academic programs to reduce the achievement gap between children from low-income backgrounds and their wealthier peers.

School for Advanced Research
With ARCT funding, the School for Advanced Research is becoming a national leader in collaborative consultation, a method to engage living descendants of Native communities whose objects are held in museum collections. The School and its partners are creating the first-ever set of ethical and practical guidelines for museums and tribal communities to use in conducting collaborative consultation. This emerging practice produces valuable information for museums regarding the use and histories of specific objects, indigenous language terminology, the meaning of symbols, cultural restrictions on use of the objects, and appropriate care. In turn, cultural consultants and the tribes they represent gain close access to and an understanding of their ancestors’ works of art.

PHOTOGRAPHY
This page: The Santa Cruz Island fox, an endangered species a decade ago, has rebounded thanks to a cooperative effort of multiple government agencies and The Nature Conservancy. PHOTO BY IAN SHIVE
Opposite: Midsommar celebration at the American Swedish Institute in Minneapolis.
ANNE RAY CHARITABLE TRUST 2015 GRANTEES

American Red Cross — International Services Department, Washington, DC
We support international disaster response and preparedness; community health programs; and fundraising and capacity building.

American Swedish Institute, Minneapolis, MN
We provide support for programs, exhibitions, and audience engagement.

Berea College, Berea, KY
We support campus building renovation and maintenance; scholarships; bridge programs for student success; traditional music, crafts, and culture; special collections preservation and access; capital planning; and capacity building.

Mingei International Museum, San Diego, CA
We provide support for business expansion; exhibition and project planning; and capital planning.

Public Broadcasting Service (PBS), Arlington, VA
We support content development in the arts, natural history, and science; infrastructure and digital technology improvements; and capacity building for online content and station services.

School for Advanced Research, Santa Fe, NM
We support stewardship of the school’s collections; training of Native museum professionals; and capital projects.

The Nature Conservancy, Arlington, VA
We support international environmental initiatives, including oceans, fresh water, forests, indigenous community conservation, resilience, and science and infrastructure improvements.

YMCA of the USA, Chicago, IL
We support camp programs; water safety and swimming lessons; healthy aging; healthy eating and physical activity programs; capacity building for data collection across the Y movement; member-led community service; and children’s literacy development.
Several of the Foundation’s programs completed initial grantmaking strategies in 2015.
After five years of significant grantmaking, several of our programs completed the build-out of their initial grantmaking strategies in 2015. These include:

**Arts and Cultures**

Two components of this program — Native Arts and Cultures and Arts Education — now have identified all of their initial grantees. Our support for Native arts focuses on the Pacific Northwest, the Upper Midwest, and, as of 2015, the Southwest.

Arts Education completed its first round of grants in Alaska in 2015. Our focus is K-12 teachers who specifically train as art teachers or, regardless of training, will have responsibility for teaching art to students. We are piloting a strategic approach that supports teachers through college and their first five years in the classroom. This pilot is focusing on Alaska and Wisconsin until we have enough data to evaluate our approach.

Also in 2015, the team completed the first steps toward identifying Folk Arts and Cultures grantees in target states of North Dakota, South Dakota, Minnesota, Iowa, Wisconsin, and the Upper Peninsula of Michigan.

**Animal Welfare**

Animal Welfare continued to build its companion-animal portfolio, and made initial grants in the wildlife portion of the program. This new sub-program will focus on two activities:

Rehabilitation: Helping injured, sick, orphaned, and oiled wild animals to recover and be released back into the wild.

Restoration: Assisting local organizations to restore native plants and features to small, publicly accessible parcels for the benefit of wild animals.

While the focus of these two activities is distinct, they share the core intent of giving people the opportunity to help wild animals. This help takes several forms, including helping animals overcome injury, illness, or other conditions; helping animals have better supplies of food and territory; and helping people understand what to do, and what not to do, with respect to wild animals.

Initial grantees include the University of Minnesota’s Raptor Center, which is developing an online Raptor Academy; the Alaska SeaLife Center, which is developing the capability to respond to remote rehabilitation needs; and Washington State University, to renovate its Stauber Raptor Facility.

**Environment**

A 2015 highlight was committing to a second round of three-year grants in our Rivers subprogram in the Lower Mekong River Basin, which we are supporting in collaboration with the John D. and Catherine T. MacArthur and McKnight Foundations and the Critical Ecosystem Partnership Fund (a program administered by Conservation International). We also expanded our Rivers grantmaking to the Ayeyarwady River basin in Myanmar.

In June, Environment teamed up with colleagues from MACF’s Arts and Cultures program to visit the north coast of British Columbia. Both programs have grantees in the region, and our hosts underscored the inherent link between the environment and the cultures and artforms of the Native peoples.

**Relief and Resilience**

A 2015 highlight was observing first-hand the work our grantees Oxfam and World Vision are doing in a drought-prone district in northern Ethiopia, called Tigray. Members of our leadership joined the program team for this trip, which also included substantial time with other MACF grantees: The Carter Center, The End Fund, and UNICEF.

Much of 2015 focused on honing strategies and evaluating the impact of work to date. We updated our Midwest plan to highlight our interests in response, relationships, and standards. “Response” refers to relief and recovery efforts. “Relationships” recognizes that multiple organiza-
One outcome of the convening is a significant amount of networking between two grantees, the University of Wisconsin-Madison School of Nursing and Leading Age Minnesota, which is expected to result in future sharing, including support in developing an evaluation framework for a direct-care worker initiative.

After the event, we made a grant to Paraprofessional Healthcare Institute to conduct a landscape analysis in Minnesota and Wisconsin, and to engage providers around practice innovations to improve the quality of home care for older adults.

Aging Services
Aging Services continued to expand its grantmaking and pursue strategies of community-care integration, direct-care workforce, and technology. In 2015, grant-making and convenings emphasized ways of improving the quantity and quality of direct-care workers in rural areas of the seven states in which we make grants.

Our grantmaking supports organizations testing new models of training and retaining direct-care workers in rural areas, including:

- Strengthening connections between institutions of higher education and long-term-care facilities, and improving nurse training through clinical trainings in long-term-care settings;
- Advancing a new career training model that promotes person-directed and community-based service-delivery models; and elevating the education, preparation, and effectiveness of direct-care workers and increasing the wages they earn; and,
- Expanding opportunities for online geriatric residency training and on-the-job coaching for new nurses in senior living settings.

We brought direct-care workforce grantees together in April. The convening began with a report by Paraprofessional Healthcare Institute Inc., the nation’s leading authority on the direct-care workforce. The Institute led a day of sharing information that sparked a collaborative spirit among participants.
While this program is not formally launched, Trustees approved significant exploratory and learning grants to help us understand issues in the field, and how some organizations are working to solve problems. These grants are not necessarily indicators of MACF’s ultimate focus.

**Includes $1.5 million each to donor-advised funds at Minneapolis Foundation and Minnesota Community Foundation. Also includes $247,355 paid to match 208 charitable contributions by employees.**
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Heather Kukla, Secretary and General Counsel
Akaloa Resource Foundation, Anne Ray Charitable Trust, Margaret A. Cargill Foundation

PHOTOGRAPHY
Opposite: American Swedish Institute decorates its Turnblad Mansion and grounds in holiday lights. The Minneapolis-based Institute is a grantee of Anne Ray Charitable Trust.
PHOTOGRAPHY
Native weaving takes shape in a student’s hands at Idyllwild.

To minimize the number of printed copies, our annual report is available electronically on our website at www.macphilanthropies.org/resources.

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