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Working to promote
public awareness
and participation in
the restoration of
the Chesapeake Bay
and its tributaries

Annual Report

WHO WE ARE

The Chesapeake Bay Trust is a private, nonprofit, grant making organization whose mission is to promote public participation and awareness in the protection and restoration of the Chesapeake Bay and its Maryland tributaries. Since its inception by the Maryland General Assembly in 1985, the Trust has awarded more than \$20 million in grants that have engaged hundreds of thousands of Marylanders in public awareness and restoration projects that have made an impact in helping the Chesapeake Bay.



WHAT WE DO

The Chesapeake Bay Trust funds projects that help protect and restore the Chesapeake Bay and its rivers and focuses on two main areas: promoting public awareness and involvement, and generating project results that have a measurable impact on improving water quality and Bay habitat. Through its eight individual grant programs, the Trust is funding efforts that are helping the Chesapeake. Whether it is a Bay education project for students or an innovative approach to reduce storm water runoff, the Trust seeks to help each and every Marylander consider ways to do their part to improve the Chesapeake.

WHERE WE GET FUNDING



The majority of the organization's funding comes from three sources: the sale of Treasure the Chesapeake license plates, donations from the Maryland state income tax check-off, and private and corporate contributions. Approximately 90 percent of the Trust's annual revenue directly funds restoration and education programs and for the fourth consecutive year, the Trust has received a four-star rating from Charity Navigator, America's largest independent evaluator of charities.



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**Midgett S. Parker,
Jr., Esq.**

*Chairman
Board of Trustees*



David O'Neill

*Executive Director
Chesapeake Bay
Trust*

Dear Friend of the Chesapeake Bay,

Wow—what an incredible year it has been for the Chesapeake Bay restoration effort and for the Chesapeake Bay Trust. During the course of 12 months, the Trust awarded more than \$2.9 million in grants to exceed the \$20 million dollar mark in grant giving. Since our inception in 1985, the Trust has awarded a total of 7,000 grants that have funded on-the-ground restoration and education programs that help restore and protect the Chesapeake Bay and its rivers. We are extremely proud of our recent efforts and our ability to involve as many Marylanders as possible in the Bay preservation effort. The Trust could not reach such milestones without the dedication of the people and the groups who initiate projects and receive funding. We hope that this year's Annual Report gives you a comprehensive look into this year's activities and initiatives, as well as a preview of what's to come.

While there is still much more to come in the Bay clean-up effort, the Trust contributed significantly to the progress that has been made by funding projects that engage the public and focus on cleaning the Bay's water and improving its habitat for crabs, fish and wildlife. When reviewing individual grants, we look for projects that maximize public involvement, strategic partnerships and environmental improvement. And to measure our effectiveness as grant makers, we have developed and begun implementation of a sophisticated tracking system that monitors both public involvement in projects and their environmental outcomes.

While the Trust's fundraising efforts are detailed thoroughly later in this report, we must also express our sincere gratitude to the citizens of Maryland who have made our grant programs possible through donations to the Treasure the Chesapeake license plate program and the Maryland Bay fund tax check-off. In total, more than 230,000 Marylanders contributed roughly \$12 per person to fund much of the Trust's grant programs in 2005-2006. Proving the point that many small donations can add up to make a big difference, these individual contributions helped to leverage an additional \$6 million from private and corporate donations, as well as through key strategic partnerships with other funding organizations. There is always more the Trust can do to help the Bay and the organizations and citizens who are dedicated to its restoration. In 2007, we plan to provide more technical assistance, build stronger local networks and provide more funding to accelerate the achievement of Bay goals to get more citizens involved in the process.

We hope that the details enclosed in this report prove informative, as well as useful to you. On behalf of the Chesapeake Bay Trust's board of trustees and staff, we thank all the volunteers, teachers, legislators, partners and sponsors who made this year's projects and programs possible.

A handwritten signature in blue ink, appearing to read "Midgett S. Parker, Jr."

Midgett S. Parker, Jr., Esq.
*Chairman
Board of Trustees*

A handwritten signature in blue ink, appearing to read "David O'Neill".

David O'Neill
*Executive Director
Chesapeake Bay Trust*



BOARD OF TRUSTEES

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Special thanks to outgoing
board members JoAnn
Roberts and Fran Flanigan
for their years of service and
support.

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Program Associate

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Melanie Teems
Associate Director of Finance
and Administration

Communications and
Events
Molly Alton Mullins
Director of Communications
and Special Events





Three of the founding members of the Trust, former Governor Harry Hughes, Dr. Torrey Brown and former Laurel Mayor Robert DiPietro, share laughs and stories at the Trust's board reunion.

Trust Holds Board Reunion to Bring Together Past and Present Leaders

In November, as part of its 20th anniversary celebrations, the Trust hosted its first-ever board reunion that brought together current and past members of the Trust's board of trustees for a night of reminiscing and networking at St. John's College in Annapolis. In total, almost 100 current and former board members, legislators, partners and staff were in attendance for this festive occasion, which celebrated all the Trust has accomplished in the past 20 years.

Chesapeake Bay Trust Takes Part in Targeted Watershed Initiative

During a press conference with the U.S. Environmental Protection Agency, the National Fish and Wildlife Foundation and the Chesapeake Bay Trust, more than \$2.6 million in grants was announced to fund Maryland partnerships seeking to improve water quality in local rivers and the Chesapeake Bay. This initiative was part of a larger watershed-wide partnership where 10 organizations were awarded a total of \$7.7 million to help the Chesapeake. David O'Neill, as well as a host of other Bay leaders, presented during this event.



David O'Neill of the Trust presents during the Targeted Watershed press announcement.

Community Greening Grant Program Announced with a Splash

In April, the Chesapeake Bay Trust joined Maryland Governor Robert L. Ehrlich, Jr. for a series of announcements to help the environment. During the event, the Trust kicked off its new Community Greening grant program,



Maryland Department of Natural Resources Secretary Ronald Franks, Department of the Environment Secretary Kendal Philbrick, Department of Transportation Secretary Robert Flanagan, as well as Lisa Dickerson of the Mass Transit Administration, Governor Robert L. Ehrlich, Jr., and David O'Neill, break ground during the ceremony.

which seeks to aid communities in implementing "greening" plans that increase tree canopy, reduce storm water runoff, and improve air quality in urban areas. Multiple Maryland department secretaries joined this event to help announce these new initiatives.

M&T Bank Shows its Continued Support for the Bay



Students from Arnold Elementary join Nicholas Lambrow and Mary Frances Isakov of M&T Bank, State Senator John Astle and Steve Barry of Arlington Echo as they plant a rain garden on school grounds.

During a schoolyard habitat planting at Arnold Elementary School in May 2006, M&T Bank awarded a \$10,000 donation to the Chesapeake Bay Trust to support the Trust's Bay education grant programs throughout Maryland. Both Nicholas Lambrow and Mary Frances Isakov of M&T Bank, as well as State Senator and Board of Trustee member John Astle, were on hand to get their hands dirty helping students with the planting.



Constellation Energy

The Trust would like to thank Constellation Energy for its continued

support for the Trust and its outreach programs. During the course of the past two years, Constellation has dedicated \$250,000 in donations and in-kind support to help the Trust's outreach and communications program which is designed to inform Marylanders about the Trust and activities individuals can engage in to restore the Bay. Constellation's contributions are greatly appreciated.

Four Star Charity for Four Years Running



For the fourth consecutive year, the Chesapeake Bay Trust has received a four star rating from Charity Navigator, America's largest independent evaluator of charities. Charity Navigator works to evaluate the financial health of charities in two broad areas: their organizational efficiency and their organizational capacity. The

Trust has received a four star rating, the highest available, due to its exceptional use of contributions and its transparency to the public in the use of donations. For more information on the Trust's ranking and Charity Navigator, visit www.charitynavigator.org.

Bay Plate Support Thrives Throughout Maryland



Marylanders have once again shown their passion for the Bay's recovery by purchasing the popular Treasure the Chesapeake license plate.

This year, more than 70,000 Marylanders bought the Bay plate, raising almost \$720,000 for Chesapeake Bay restoration and educational programs. In addition, the plate's voluntary renewal fee added another \$1.2 million in revenue, making the license plate the single most important revenue generator for the Trust and its programs. Since the plate's inception in 1991, more than \$13 million has been donated from its sale, making it the most successful program of its kind per capita in the nation.

This year, the Trust announced that one in every 10 cars on Maryland roadways now carries a Treasure the Chesapeake license plate, further illustrating Maryland's great commitment to help our Bay. In total, more than 1.3 million Marylanders have purchased a Treasure the

Chesapeake license plate at some point in its history, making this program a model for other states throughout the nation.

Comcast has been a true supporter of the Chesapeake Bay Trust, offering more than \$130,000 of in-kind advertising and production to help promote the Trust and the popular Treasure the Chesapeake license plate. Special thanks to Comcast for being a valued partner and continued Trust supporter.



More than \$1.2 Million Raised Through the Bay Fund Tax Check-off

For the 2005-2006 fiscal year, more than \$1.2 million was donated to the *Chesapeake Bay and Endangered Species Fund*, of which funding is evenly split between the Trust and the Wildlife and Heritage Division of the Maryland Department of Natural Resources. In total, more than 46,000 Maryland state income tax statements were returned with contributions for that fund, and these monies have supported thousands of projects to restore wetlands, plant trees and protect numerous species of threatened plants and animals. While the total number of donations was down in 2006, the average contribution per donor rose from \$23 to \$26 which greatly helped overall revenue.



Beaulieu Vineyard Wine Partnership Results in \$10,000 Donation



Nick Rulli and Jeff Baren of Reliable Churchill present David O'Neill with a donation for \$10,000.

During the months of April, May and June 2006, Beaulieu Vineyard (BV) Wine donated one dollar to the Chesapeake Bay Trust for every case of BV wine sold in Maryland. At a celebration ceremony earlier

this year, Reliable Churchill, a distributor of BV Wine and a key partner in the program, presented a check to the Trust for \$10,000. Special thanks to BV and Reliable Churchill for their support of this new partnership.



All the evening's awardees gather to receive their recognition.

Chesapeake Bay Trust Honors its Biggest Volunteers

In January 2006, the Trust hosted its Annual Legislative Reception and Awards Program to a packed house of over 65 legislators, county executives and Maryland Governor Robert L. Ehrlich, Jr. During the event, the Trust presented its Teacher of the Year awards, the prestigious Ellen Fraites Wagner award, and the Honorable Arthur Dorman Scholarship. Additionally, this event also marked the Trust's 20th anniversary where Trust leadership announced a commitment to provide \$10 million in grants over the next three years to accelerate Bay restoration and protection. In total, almost 150 lawmakers, Bay leaders and strategic partners attended this event to show their support for the award winners who were honored for their outstanding commitments to improving the Bay and its rivers.

Longtime Bay Activist Charles Conklin Receives the Trust's 2006 Ellen Fraites Wagner Award

During the awards ceremony, the Trust was pleased to present its 2006 Ellen Fraites Wagner Award to Charles Conklin, a resident of Glen Arm, MD, and a board member of the Gunpowder Conservancy and the Alliance for the Chesapeake Bay. Mr. Conklin has helped dozens of Bay restoration organizations develop partnerships and engage citizens in activities that benefit the Bay. In addition to the Conservancy and the Alliance, Mr. Conklin has served on the Maryland Department of Natural Resources' Coastal and Watershed Resources Advisory Committee and the



*2006 Ellen Fraites Wagner Award Winner
Charlie Conklin,
Alliance for the Chesapeake Bay*

Baltimore County Council Environmental Advisory Committee. A former chairman of the Alliance, Mr. Conklin headed a number of programs to improve the environment, including Restore Corps, which attracts volunteers to local watershed groups; Builders for the Bay, focused on changing local codes and ordinances to reduce storm water runoff; and Forestry for the Bay, which promotes forest management to improve water quality. He also has served as a volunteer for over 10 years with Maryland Save Our Streams.

Two Maryland Teachers Receive the Trust's Top Honors

Each year the Trust recognizes the important role that Maryland teachers play in restoring the Bay and presents its Teacher of the Year awards to two outstanding Maryland educators. In 2006, Lee Franklin, a gifted and talented enrichment teacher at Kennard Elementary School in Queen Anne's County, and Margaret Paul, an environmental science teacher at Towson High School in Baltimore County, won this prestigious honor.



*Lee Franklin,
Kennard
Elementary*

The Trust's elementary school award recipient was **Lee Franklin**, who teaches third, fourth and fifth grades at Kennard Elementary school. Ms. Franklin has designed curricula for year-long ecology and advanced ecology classes that include field work, data collection, water testing and intensive investigation of the Bay's health. Ms. Franklin is credited with developing an extensive recycling program and involving students in an annual raise and release program for diamondback terrapins.



*Margaret I. Paul,
Towson High
School*

Ms. Margaret Paul teaches environmental science and uses campus grounds at Towson High School and local communities to teach her students about nature, water quality and the health of the Bay. Her students have been involved in hands-on projects ranging from discovering ways to enrich soil through composting, to raising horseshoe crabs, to testing the water quality of the Herring Run.

Poolesville High School Senior Wins Honorable Arthur Dorman Scholarship



2006 Honorable Arthur Dorman Scholarship Winner: Ms. Zainab Nejati, senior at Poolesville High

Ms. Zainab Nejati, a senior at Poolesville High School, was the third recipient in the history of the Honorable Arthur Dorman scholarship. This scholarship, named in honor of Maryland Senator Arthur Dorman, pays tribute to a Maryland student who combines an intense interest in and commitment to the environment with an equal commitment to strengthening community awareness by promoting diversity and respect for all individuals. Ms. Nejati is active in her community and school where she is enrolled in Poolesville's Global Environmental

Studies Program. She also has been president of Roots & Shoots, an environmental and humanitarian club, and has spoken before the United Nations International Day of Peace Youth Program in New York City.

*Thank you for
your support*

Torrey C. Brown Award Created



John Griffin, Dr. Torrey Brown, Midgett Parker and former Governor Harry Hughes all celebrate the creation of the Torrey C. Brown Award.

During the 2006 Treasure the Chesapeake Celebration, the Trust announced the creation of the Torrey C. Brown Award which will honor a person for his or her outstanding commitment to the Chesapeake Bay and to the Chesapeake Bay Trust. The new award is named after Dr. Brown, a longtime supporter of Bay restoration and conservation who was instrumental in the creation of the Trust and served as its first chairman. After a lifetime of service to Maryland citizens and the Bay, it is only befitting to create such an award in his honor.

GRANT ACTIVITIES & HIGHLIGHTS

STRATEGIC PARTNERS

Partnerships are a vital component of the Bay restoration and protection effort as they leverage limited resources, expertise and promote sustainability of projects and programs. Partnerships are a hallmark of the Chesapeake Bay Trust and the Trust would like to thank each of its partner organizations that have worked with the Trust to make a substantial commitment to local watershed restoration and education programs. Each federal, state and local agency, as well as the foundations, organizations and corporations below, has been instrumentally involved with the Trust during the 2005-2006 fiscal year. Thank you.

- The Keith Campbell Foundation for the Environment
- National Oceanic & Atmospheric Administration (NOAA) Chesapeake Bay Program
- NOAA Restoration Center
- U.S. Environmental Protection Agency Chesapeake Bay Program
- National Fish and Wildlife Foundation
- Maryland Department of Natural Resources
- Maryland Department of the Environment
- Maryland Department of Agriculture
- U.S. Fish and Wildlife Service
- U.S. Forest Service
- The Nabit Foundation
- FishAmerica Foundation
- Constellation Energy
- M&T Bank
- Comcast
- Chesapeake Bay Foundation
- Center for Watershed Protection
- Chesapeake Bay Funders Network
- Erickson Communities
- Town Creek Foundation
- Rauch Foundation
- Morris & Gwendolyn Cafritz Foundation



Greatest Year in Grant History – More than \$2.9 Million Awarded to Help the Bay

The year 2006 was another record breaking year for the Chesapeake Bay Trust and for its grant programs. In total, more than \$2.9 million in funding was granted to watershed organizations, schools and public agencies throughout the state to help restore and protect the Chesapeake Bay. In total, 471 grants were approved by the Trust, ranging from \$25 to \$200,000. Additionally, the Trust has increased its capacity to evaluate the success and progress of its grant programs, to determine measurable outcomes and the contribution of Trust grant programs to the Bay restoration effort overall. The Trust's grant programs have also expanded in nature, and now include strategic grant areas that focus

on water quality improvement and the restoration of wildlife habitat to make a greater impact.

PIONEER GRANTS PROGRAM

The Pioneer grants program was established by the Trust's board of trustees to encourage and promote innovative ideas, new technologies, creative partnerships and cutting-edge projects in Chesapeake Bay restoration. The Trust focused its Pioneer grants program on projects and strategies that reduce nonpoint source pollution in order to restore key living resources in the Chesapeake Bay and its rivers. Nonpoint source pollution accounts for an estimated 50 percent of the nutrient pollution problem and as the population grows, so does the environmental significance of these sources of pollution. In 2006, a total of \$293,000 was awarded for these efforts.

Baltimore City Department of Public Works Watershed 263, Baltimore City • \$100,000

The Baltimore City Department of Public Works implemented five innovative storm water retrofits and a water quality monitoring program to examine the impact of the projects. These retrofits served as a model for other ultra-urban environmental restoration programs. Additionally, the projects are highlighted as part of a virtual tour of restoration projects in Watershed 263 that was developed for the Center for Watershed Protection website.

Chesapeake Bay Recovery Partnership Corsica River Targeted Watershed Initiative, Queen Anne's County • \$100,000

The Chesapeake Bay Recovery Partnership and the Alliance for the Chesapeake Bay developed an urban restoration master plan for the town of Centreville that focused on pollution prevention and best management practice retrofit projects. The project also included a public education and involvement program targeted to homeowners, which resulted in 12 community demonstration projects. These activities are part of

the Maryland Department of Natural Resources Corsica River Targeted Watershed Program.

Talbot County Department of Public Works Comprehensive Septic System Management Plan, Talbot County • \$93,000

Talbot County developed and implemented a comprehensive management plan for septic systems. In developing the plan, the county inspected and evaluated existing systems and then prioritized those in the critical areas to be upgraded with nitrogen removal systems. Talbot County estimated that upgrading the septic systems should result in a 60 percent reduction in nutrient loading to the Bay from existing and new septic systems by 2025.

TARGETED WATERSHED GRANTS PROGRAM

Public agencies, academic institutions and watershed organizations are increasingly focusing their attention on targeted actions that can make a measurable impact on water quality in their local streams and rivers. These targeted watershed initiatives are driven by a desire of local groups to make a difference and to stimulate further involvement by citizens, governments and funding partners by showing progress on-the-ground. The Chesapeake Bay Trust's efforts in targeted watersheds are designed to help organizations to achieve local restoration and protection goals, which will in turn, advance overall Chesapeake Bay restoration objectives.

In 2006, the Trust partnered with the U.S. Environmental Protection Agency's Chesapeake Bay Program and the National Fish and Wildlife Foundation in the Chesapeake Bay Targeted Watershed Grant Program. In total, 10 projects were funded throughout the Bay watershed for a total award amount of nearly \$8 million. Three projects in Maryland were awarded grants for a

FACTS AND FIGURES: Estimated number of volunteers involved – 16,000 • Estimated number of students involved – 54,000 • Estimated number of teachers involved – 2,100 • Total matching cash funds – \$6 million

total of \$2.6 million. Through this partnership, the Trust contributed \$200,000 to each of the three Maryland projects—those led by the University of Maryland, the Maryland Department of Agriculture and the Maryland Department of Natural Resources. Projects funded through this grant program will address the most pressing nutrient pollution challenges, and, in turn, result in measurable improvements to water quality and wildlife habitat. The program encourages innovative approaches and strategic partnerships to advance this goal, and aims to produce a number of models that can be replicated in other watersheds across the Bay region.

Maryland Department of Agriculture

Caroline County • \$200,000

In collaboration with the Agricultural Research Service Beltsville, the Caroline Soil Conservation District, the Natural Resource Conservation Service, the University of Maryland Extension Service and Public Drainage Associations

This project focused on a targeted education and outreach campaign to raise awareness about storm water runoff reduction, the installation of 200 storm water-reducing best management practices, the restoration of 10 acres of wetlands, and the creation of 50 acres of riparian buffers.

Chesapeake Recovery Partnership

Queen Anne County • \$200,000

In partnership with the Alliance for the Chesapeake Bay and the Maryland Department of Natural Resources

Funding for this project supported the implementation and monitoring of traditional cover crops, commodity cover crops and drainage control structures, in order to reduce annual nitrogen pollution loadings into the Tuckahoe sub-basin by more than 31,000 pounds.

University of Maryland

Frederick, Carroll and Montgomery Counties • \$200,000

In partnership with the Maryland Department of Agriculture and the Adams County Conservation District

This initiative demonstrates three dairy farm management strategies—precision feeding to reduce nutrient concentrations in animal waste, cover crops to absorb nitrogen and to reduce sediment runoff, and manure management which transports manure from areas with excess fertilizers to areas in need of fertilizer. The project seeks to reduce annual nitrogen input into the Monocacy watershed by 250,000 pounds.



Maryland Speaker of the House Michael Busch joins Annapolis City Councilman Josh Cohen, Anne Arundel County Councilwoman Barbara Samorajczyk and Trust Chairman Midgett Parker to discuss the importance of community greening.

COMMUNITY GREENING GRANTS PROGRAM

In the next fiscal year, the Chesapeake Bay Trust will implement its newest grant program, the Community Greening grants program, in cooperation with the USDA Forest Service, the Maryland Department of Natural Resources Forest Service Division and the Center for Watershed Protection.

The program is designed to aid communities in Maryland to implement “greening” plans that increase forest canopy, reduce storm water runoff, improve air quality and enhance the quality of life in urban areas. Grants will be available for up to \$50,000 for local governments and/or non-profit organizations working in cooperation with local governments, for on-the-ground restoration activities that support the implementation of an adopted plan to green the local community. In addition, the Center for Watershed Protection will provide direct technical assistance to applicants who are awarded grant funding to assist communities in their efforts.

The overall goal is to increase the percentage of tree canopy and expand green cover in urban areas with an emphasis on encouraging communities to integrate trees and natural areas in storm water management strategies and to connect green spaces. A total of \$300,000 will be available in funding for this program.

FISHERIES GRANTS PROGRAM

The Chesapeake Bay Trust and the FishAmerica Foundation established a funding partnership in 2003 to improve water quality and fish habitat in Maryland waters. Over three years, the Fisheries grants program has resulted in

FACTS AND FIGURES: Estimated value of in-kind donations – \$1.1 million • Estimated number of volunteer hours – 73,000 • Square feet of streamside forest buffers planted – 1.5 million • Square feet of living shoreline restored – 8,000

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the deployment of hundreds of reef balls, hundreds of thousands of planted oyster spat, 20 acres of riparian reforestation, 320 feet of stream bank stabilization, and 400 square feet of underwater grasses to meet those goals. The 2007 program will build on the best research, statewide practices, agencies and organizations to continue to provide stream improvements to nurture Maryland's native fish.

LIVING SHORELINES GRANTS PROGRAM

The Living Shorelines grants program was created to promote innovative shoreline restoration techniques that use natural habitat elements to protect shorelines from erosion while also providing critical habitat for fish, crabs and other Bay critters. In its third cycle, the Chesapeake Bay Trust, the Keith Campbell Foundation for the Environment, the National Oceanic and Atmospheric Administration (NOAA) Restoration Center, and the National Fish and Wildlife Foundation together funded 10 living shoreline projects. These 10 projects will lead to the installation of more than 12,000 linear feet of living shoreline, the installation of thousands of square feet of vegetated upland buffer, and the education of hundreds of waterfront homeowners, public agency officials and shoreline restoration contractors about the benefits of living shorelines.

Of these 10 projects, the Chesapeake Bay Trust funded five for more than \$200,000. These five projects, which leveraged more than \$600,000 in public and private funds and in-kind contributions, included the installation of 1,000 linear feet of living shoreline and designs for 4,000 additional shoreline feet.

St. John's College

Anne Arundel County • \$50,000

This grant replaced over 700 feet of bulkhead with a living shoreline and installed vegetated upland buffer.

West River Center

Anne Arundel County • \$37,590

This project focused on the replacement of 370 feet of failing bulkhead with a living shoreline—re-establishing 2,000 feet of contiguous natural shoreline.

Alice Ferguson Foundation (AFF)

Prince George's County • \$50,000

This funding helped design a living shoreline along the Potomac River at Piscataway Park. In addition to restoring the shoreline in a natural state, the project will serve as a teaching tool for the students and volunteers who participate in AFF programs.

Maryland Department of Natural Resources

Wicomico County • \$15,500

The Trust funded the creation of a living shoreline along 650 feet of the Nanticoke River in Sharptown, MD.

University of Maryland Center for Environmental Science

Statewide • \$49,886

Grant funds supported additional research on the impact of living shoreline design elements on sea grass habitat.

CAPACITY BUILDING GRANTS PROGRAM

In partnership with the Keith Campbell Foundation for the Environment, the Chesapeake Bay Trust provided organizational capacity building support to small watershed organizations, land trusts and riverkeepers throughout Maryland. Over three years, organizations received capacity building support to strengthen their operations and improve their ability to be sustainable through activities such as board and staff development, fundraising, membership development and strategic planning. In the 2005-2006 fiscal year, the Trust and the Campbell Foundation funded 17 organizations for a total of \$290,016. Each of these projects is listed in the full grants section.

Looking ahead into the next fiscal year, the Capacity Building program is being completely revamped in order to provide comprehensive support for watershed organizations, including one-on-one coaching, group training, networking opportunities, and small and large grants.



The Campbell Foundation

The Trust would like to thank the Keith Campbell Foundation for the Environment for its significant support of programs that reflect the shared priorities of both foundations. The Trust

partnership with the Keith Campbell Foundation on projects is critical to leveraging limited resources and making a greater difference in the effort to restore and protect the Chesapeake Bay. We are grateful for the support received from the Foundation.

FACTS AND FIGURES: Square feet of wetlands enhanced/restored – 142,000 • Square feet of rain garden, BayScape or schoolyard habitat created – 180,000 • Square feet of bay grasses planted (SAVs) – 215

The Trout Unlimited-Patuxent Chapter Repairs Forest Buffers in Montgomery County



The Trout Unlimited-Patuxent Chapter received a \$2,000 mini grant to support a streamside forest and buffer project along Hawlings River in Montgomery County. The Trout

Unlimited organization engaged the public in a project that raised awareness and enhanced fish habitat while getting dozens of students and volunteers involved in the effort.

STEWARDSHIP GRANTS PROGRAM

The purpose of the Stewardship grants program is to provide grants from \$5,001 up to \$25,000 on a bi-annual basis to support demonstration and restoration projects, as well as watershed education programs. Grants awarded in 2006 enabled hundreds of schools, watershed organizations and public agencies to engage thousands of Maryland students and volunteers in Bay-friendly activities. The Trust awarded 56 grants totaling \$809,244 through its Stewardship program in 2005-2006. Please see the full grants section for a list of projects.

MINI GRANTS PROGRAM

The Mini Grants program awards funding up to \$5,000 for projects that increase public engagement and understanding of the Bay and its tributaries. Many grants awarded through this program support field experiences for students, small on-the-ground restoration projects and public awareness initiatives. Applications are invited at any time of the year and for the 2005-2006 fiscal cycle, 352 mini grants were awarded for a total of \$571,898. To view the full list of mini-grants, please see the grants section.

COASTAL BAYS GRANTS PROGRAM

The Chesapeake Bay Trust partnered with the Maryland Coastal Bays Program in 2005-2006 to develop the Coastal Bays Fund, a new initiative that allows the Trust to fund all watersheds in Maryland for the first time. In October, the Trust and the Maryland Coastal Bays Program (MD CBP) launched a joint grant program for research and restoration activities that supports the comprehensive Coastal Bays restoration and protection plan. The Trust contributed \$50,000 to the fund which was matched with \$75,000

in MD CBP funding. Eight grants were awarded totaling \$125,000 for activities beneficial to the Coastal Bays. Specific projects included wetland restoration plantings with volunteers, innovative storm water management programs for urban areas in the watershed, and applied research and water quality monitoring that will lead to a better understanding of the environmental conditions in the Coastal Bays. The full list of Coastal Bays grants can be viewed in the grant section.

MINI NOAA BWET GRANTS PROGRAM

Through a partnership with the NOAA Chesapeake Bay office, its BWET Grants Program is a nationally recognized initiative that provides funds to support environmentally-based education. The Trust administers approximately \$47,500 in grant funds to Maryland and Washington, D.C. educators and teachers. The NOAA BWET funding allowed the Trust to extend its Mini Grants program for the first time to include neighboring Washington D.C. Through the partnership, the Trust funded eight grants to D.C. schools totaling \$11,450 and 21 grants to Maryland schools in the amount of \$36,079. NOAA BWET funds supported a suite of projects that include students reforesting their schoolyard in rural Western Maryland, schools in the District raising and releasing American shad, students voyaging on the Schooner Sultana, and students planting rain gardens on Maryland's Eastern Shore. The full list of NOAA BWET grants can be viewed in the grants section.

The Trust Expands its Reach into Washington, D.C. and the Sousa Middle School



The Chesapeake Bay Trust partnered with the NOAA Chesapeake Bay Office and its B-WET Program to provide educational grants in Washington, D.C. to help the Chesapeake Bay's tributaries. At the Sousa Middle School in northeast Washington, students were involved in the Living Classrooms Foundation Schools in Schools program, where they raised and released shad into the Potomac River and tested the river's water quality.

FACTS AND FIGURES: Number of rain barrels built and distributed – 200 • Number of oysters raised and/or released – 1 million • Square feet of oyster reef restored – 109,000 • Pounds of trash/debris removed from streams – 60,000

Please note that for a complete list with full project descriptions, visit www.cbtrust.org.

ALLEGANY COUNTY

\$10,527

- Allegany High School: \$2,195
- Frostburg State University: \$4,400
- George's Creek Watershed Association: \$1,999
- Westmar High School: \$1,933

ANNE ARUNDEL COUNTY

\$419,448

- Alliance for Community Education: \$3,750
- Annapolis Elementary School: \$2,072
- Annapolis Middle School: \$430
- Annapolis High School: \$705
- Anne Arundel Community College: \$3,350
- Arlington Echo Outdoor Education Center: \$30,000
- Arnold Elementary School: \$904
- Boy Scout Troop 396: \$2,000
- Broadneck High School: \$2,036
- Broadwater Creek Coalition: \$546
- Cape St. Claire Elementary School: \$846
- Central Special Education Center: \$1,020
- Chesapeake Bay Earth School: \$3,765
- Chesapeake Ecology Center: \$50,000
- Chesapeake Rivers Association: \$5,000
- City of Annapolis Department of Recreation and Parks: \$14,903
- Davidsonville Elementary School: \$1,547
- Eastport Civic Association: \$5,000
- Folger McKinsey Elementary School: \$2,000
- George Fox Middle School: \$335
- George T. Cromwell Elementary: \$220
- Georgetown East Elementary School: \$724
- Gibson Island Country School: \$140
- Girl Scouts of Central Maryland: \$10,000
- Greater Severna Park Chamber Foundation: \$858
- Harman Elementary School: \$1,083
- Key School: \$1,525
- Lindale Middle School: \$1,866
- Magothy River Association: \$3,440
- Magothy River Land Trust, Inc.: \$2,600
- Marley Elementary School: \$214
- Maryland Environmental Service: \$22,000
- Mimosa Cove Association: \$4,675
- Navy District Washington-East Region: \$2,520
- North Glen Elementary School: \$5,000

The Chesapeake Bay Trust Helps Restore a Living Shoreline along St. John's College in Annapolis



With funding from the Chesapeake Bay Trust, the NOAA Restoration Center, the Keith Campbell Foundation and others, St. John's College worked with the Chesapeake Bay Foundation and the Maryland Department of Natural Resources to restore over 700 feet of shoreline by using natural wetlands and buffers to reduce erosion and create a habitat area for fish and crabs. Located on the campus of St. John's College in Annapolis, this restoration area now serves as a field site for student and faculty laboratory work.

- Odenton Elementary School: \$972
- Old Mill Middle School North: \$1,263
- Overlook Elementary School: \$1,166
- Sherwood Forest Boys and Girls Club: \$6,862
- Shipley's Choice Elementary School: \$1,075
- Smithsonian Environmental Research Center: \$25,000
- South River Federation: \$41,000
- South River High School: \$4,950
- Spa Creek Conservancy: \$27,582
- St. Andrews United Methodist Day School: \$864
- St. Anne's Day School: \$260
- St. John the Evangelist School: \$1,130
- St. John's College: \$50,000
- St. Martin's in the Field Day School: \$297
- St. Mary's Elementary School: \$3,198
- St. Philip's Episcopal Church: \$14,755
- The Galesville Heritage Society: \$3,391
- West Annapolis Elementary: \$1,144
- West River Center: \$37,590
- West/Rhode Riverkeeper, Inc.: \$15,000

FACTS AND FIGURES: Number of trees planted – 6,500 • Number of storm drains stenciled – 640 • Number of publications produced and distributed – 90,000 • Number of presentations/workshops given – 11

Please note that for a complete list with full project descriptions, visit www.cbtrust.org.

Herring Run Watershed Association Strengthens its Efforts through the Trust's Capacity Building Program



The Herring Run Watershed Association, located in Baltimore, MD, received a \$20,000 Capacity Building grant that has enabled the group to refine its administrative operations and grow in membership and volunteer support. The grant has helped the association coordinate a board retreat, conduct two volunteer and financial contributor recognition events, improve its printed and e-newsletters, and produce a professional quality annual report. In FY 2006, its successes also included a significant increase in the average individual gift and membership increases for both individual and business members.

- Rosedale Center for Alternative Studies: \$12,340
- Rotary Club of Pikesville-Owings Mills: \$1,317
- Sparks Elementary School: \$2,335
- St. James Academy: \$745
- The Park School: \$2,222
- Towson High School: \$492
- Western School of Technology & Environmental Science: \$1,875
- Wilson Point Church of the Ascension: \$2,838

BALTIMORE CITY \$344,890

- Abbottston Elementary School: \$2,431
- Baltimore City Department of Recreation and Parks: \$600
- Baltimore City Department of Public Works: \$100,000
- Baltimore Harbor Watershed Association: \$10,000
- Baltimore Inner City Outings: \$2,055
- Boy Scout Troop 354: \$900
- Boy Scouts of America, Baltimore Area Council: \$2,257
- Bryn Mawr School: \$1,200
- Comprehensive Housing Assistance, Inc.: \$12,500
- Cross Country Elementary School: \$2,910

BALTIMORE COUNTY \$93,020

- Ascension School: \$945
- Baltimore County Public Schools: \$23,000
- Berkshire Elementary School: \$600
- Blind Industries and Services of Maryland: \$1,883
- Calvert Hall College: \$640
- Catonsville Elementary School: \$1,000
- Charlesmont Elementary School: \$205

- Cromwell Valley Elementary School: \$5,148
- Ecosystem Recovery Institute Inc.: \$3,240
- Emmanuel Lutheran School: \$4,440
- Fifth District Elementary School: \$1,257
- Franklin Middle School: \$6,248
- Girl Scout Troop 1920: \$1,222
- Gunpowder Valley Conservancy: \$2,844
- Hereford Middle School: \$4,608

- Immaculate Conception School: \$1,478
- Isaak Walton League, Sportsman's Chapter: \$842
- Jones Falls Watershed Association: \$2,000
- Long Green Valley Conservancy: \$1,342
- Lutherville Laboratory for Science, Mathematics and Communications: \$5,079
- Patapsco/Back River Tributary Team: \$460
- Perry Hall Middle School: \$375

FACTS AND FIGURES: Number of wildlife habitat structures constructed – 32 • Number of fish raised and released – 45,000 • Number of native plants planted – 5,800

Please note that for a complete list with full project descriptions, visit www.cbtrust.org.

- Digital Harbor High School: \$315
- Dr. Samuel L. Banks High School: \$3,690
- Enterprise Women's Network Mentoring Program: \$648
- Fallstaff Elementary School: \$4,224
- Friends of Patterson Park, Inc.: \$5,000
- Friends School of Baltimore: \$5,969
- Gardenville Elementary School: \$260
- Graceland Park-O'Donnell Heights Elementary School: \$95
- Herring Run Watershed Association: \$73,717
- Irvine Nature Center: \$20,000
- Jones Falls Watershed Association: \$20,000
- Maree Garnett Farring Elementary School: \$300
- Midtown Academy: \$1,080
- Mt. Saint Joseph High School: \$1,664
- National Aquarium in Baltimore: \$16,000
- Oyster Recovery Partnership: \$20,000
- Parks & People Foundation: \$25,146
- Robert W. Coleman Elementary School: \$1,647
- St. Ignatius Loyola Academy: \$1,275
- The School of the Cathedral of Mary Our Queen: \$1,905
- Thomas Johnson Elementary School: \$2,203
- Waldorf School of Baltimore: \$1,268

- Waverly Elementary School: \$260
- Yorkwood Elementary School: \$3,371

CALVERT COUNTY **\$11,156**

- Beach Elementary School: \$3,512
- Calvert County Department of Planning & Zoning: \$3,430
- Dowell Elementary School: \$2,064
- Mt. Harmony Elementary School: \$2,000
- Our Lady Star of the Sea School: \$150

CAPITAL AREA **\$44,875**

- Alice Ferguson Foundation: \$2,000
- Anacostia Watershed Society: \$22,000
- Living Classrooms Foundation of the National Capital Region: \$15,875

CAROLINE COUNTY **\$215,444**

- Adkins Arboretum: \$3,428
- Benedictine School: \$716
- Caroline County Public Schools: \$9,052
- Maryland Department of Agriculture: \$200,000
- Maryland DNR-State Forest and Parks Tuckahoe State Park: \$2,248

CARROLL COUNTY **\$34,925**

- Carroll County Outdoor School: \$13,420
- Century High School: \$4,838
- Friends of Hashawha/Bear Branch Council: \$313
- Gateway School: \$1,693
- Linton Springs Elementary School: \$1,685
- Mechanicsville Elementary School: \$1,856
- Oklahoma Road Middle School: \$2,320
- Shiloh Middle School: \$4,941
- South Carroll High School: \$1,869
- Westminster High School: \$1,990

CECIL COUNTY **\$18,571**

- Bohemia Manor Middle School: \$2,293
- Cecil Manor Elementary School: \$1,100
- Cherry Hill Middle School: \$1,425
- Conowingo Elementary School: \$2,000
- Gilpin Manor Elementary School: \$2,400
- Lighthouse Christian Academy: \$1,535
- NorthBay Environmental Learning Center: \$2,500
- Perryville Middle School: \$1,160
- Thomson Estates Elementary School: \$2,875
- West Nottingham Academy: \$1,283

Girl Scout Troop #1920 Plants a Native Bayscape



Girl Scout Troop #1920 used a \$1,222 mini grant to successfully plant a native plant landscape or "Bayscape" that includes interpretative signage and a walkway. Bayscapes are landscapes that use native plant and shrub material to reduce water pollution and attract wildlife.

Please note that for a complete list with full project descriptions, visit www.cbtrust.org.

CHARLES COUNTY \$36,199

- Archbishop Neale School: \$4,332
- Beddow Montessori School: \$363
- Charles County Forest Conservancy District Board: \$824
- Dr. James Craik Elementary School: \$525
- Gale Bailey Elementary School: \$721
- Nanjemoy Creek Environmental Education Center: \$3,950

- Port Tobacco River Conservancy: \$25,000
- T.C. Martin Elementary School: \$484

DORCHESTER COUNTY \$1,473

- Dorchester Soil Conservation District: \$1,473

EASTERN SHORE \$17,000

- Nanticoke Watershed Alliance: \$15,000
- Town of Chesapeake City: \$2,000

FREDERICK COUNTY \$49,078

- Catoctin High School: \$183
- Fountain Rock Nature Council: \$3,100
- Frederick County Board of Education: \$5,098
- Frederick County Master Gardeners: \$1,944
- Friends of Waterford Park: \$4,872
- Mid-Maryland Land Trust Association, Inc.: \$10,000
- Monocacy & Catoctin Watershed Alliance: \$1,860
- Monocacy Elementary School: \$2,899
- Monocacy Middle School: \$1,970
- The Interstate Commission on the Potomac River Basin: \$4,410
- Thurmont Middle School: \$3,945
- Town of Middletown: \$3,797
- Volunteer Frederick: \$5,000

GARRETT COUNTY \$30,155

- Accident Elementary School: \$3,815
- Maryland Association of Forest Conservancy District Boards: \$1,976
- University of Maryland Center for Environmental Science: \$24,364

HARFORD COUNTY \$30,392

- Boy Scout Troop 313: \$328
- C. Milton Wright High School: \$158
- Chesapeake Heritage Conservancy, Inc.: \$395
- City of Aberdeen: \$2,500
- Freestate Challenge Academy: \$1,995
- Gunpowder Valley Conservancy: \$10,000
- Halls Cross Roads Elementary School: \$770
- Harford County Public Schools: \$2,268
- Harford Glen Foundation, Inc.: \$1,300
- Havre de Grace Middle School: \$3,516
- Joppatowne High School: \$1,190
- Lower Susquehanna Heritage Greenway, Inc.: \$1,724
- Royce-Williams Elementary School: \$700
- Southampton Middle School: \$1,660
- Trinity Lutheran School: \$420
- Youth's Benefit Elementary School: \$1,468

HOWARD COUNTY \$52,637

- Atholton Elementary School: \$300
- Bellows Spring Elementary School: \$567
- Boy Scout Troop 361: \$400
- Centennial Lane Elementary School: \$440

The University of Maryland Receives one of the Trust's \$200,000 Targeted Watershed Grant Awards



The University of Maryland used a \$200,000 Targeted Watershed grant in partnership with the Maryland Department of Agriculture and the Chesapeake Bay Foundation, to work directly with farmers to implement precision feeding, manure transport strategies and apply cover crops in the Monocacy River. Of the nutrient problems affecting the health of the Chesapeake Bay, 20 percent is a result of excess manure running off farms into various waterways. The approach utilized in this grant demonstrates innovative and cost effective approaches to address this challenge. Overall, the project expects to reduce annual nitrogen pollution into the Monocacy by close to 250,000 pounds and leverages more than \$1 million in other funds.

Please note that for a complete list with full project descriptions, visit www.cbtrust.org.

- Center for Watershed Protection, Inc.: \$750
- Clarksville Elementary School: \$345
- Clarksville Middle School: \$500
- Clemens Crossing Elementary School: \$2,720
- Deep Run Elementary School: \$495
- Dunloggin Middle School: \$4,399
- Elkridge Landing Middle School: \$250
- Ellicott Mills Middle School: \$2,340
- Folly Quarter Middle School: \$125
- Forest Ridge Elementary School: \$636
- Fulton Elementary School: \$640
- Gorman Crossing Elementary School: \$480
- Guilford Elementary School: \$400
- Hammond Elementary School: \$870
- Hammond High School: \$1,530
- Harper's Choice Middle School: \$215
- Hollifield Station Elementary School: \$800
- Howard County Conservancy, Inc.: \$3,996
- Howard County Department of Recreation and Parks: \$6,757
- Howard High School: \$125
- Ilchester Elementary School: \$500
- Laurel Woods Elementary School: \$825

- Lisbon Elementary School: \$300
- Manor Woods Elementary School: \$450
- Master Gardeners, Maryland Cooperative Extension Howard County: \$12,579
- Northfield Elementary School: \$660
- Oakland Mills High School: \$375
- Phelps Luck Elementary School: \$200
- Reservoir High School: \$833
- River Hill High School: \$125
- Rockburn Elementary School: \$495
- Running Brook Elementary School: \$100
- St. John's Lane Elementary School: \$750
- Stevens Forest Elementary School: \$320
- Swansfield Elementary School: \$450
- Talbot Springs Elementary School: \$300
- Waterloo Elementary School: \$1,925
- West Friendship Elementary: \$200
- Wilde Lake Middle School: \$540
- Worthington Elementary School: \$630

KENT COUNTY \$22,333

- Echo Hill Outdoor School: \$9,315
- Kent School: \$1,568
- National Aquarium in Baltimore: \$6,000
- Radcliff Creek School: \$5,450

Baltimore County Public Schools Involve 1,200 Students in its Forest Buffer Restoration Project



In 2006, students, teachers and volunteers from Baltimore County reforested schoolyards and stream banks using two Trust grants totaling \$37,000. The grants were awarded to the Baltimore County Public School System and the Baltimore County Forestry Board for trees, supplies for monitoring and maintaining the planting sites, and transportation to local

parks. Twenty-five high schools and two middle schools participated in the county-wide Forest Buffer Restoration Project. In total, 1,200 students learned firsthand about the benefits of trees to the watershed and planted more than 1,100 trees and shrubs. Volunteers from the Forestry Board helped coordinate the plantings and gave their expertise in tree planting and care.

MONTGOMERY COUNTY \$166,406

- Audubon Naturalist Society of the Central Atlantic States, Inc.: \$15,000
- Benjamin Banneker Middle School: \$2,881
- Brown Station Elementary School: \$488
- Burtonsville Elementary School: \$430
- Cabin John Citizens Association: \$509
- Cabin John Middle School: \$3,790
- Dr. Sally K. Ride Elementary School: \$490
- Fox Chapel Elementary School: \$1,275

- Friends of Rock Creek's Environment: \$10,000
- Friends of Sligo Creek: \$18,288
- Germantown Elementary School: \$1,776
- Glenallan Elementary School: \$1,392
- Greenwood Elementary School: \$316
- Herbert Hoover Middle School: \$3,695
- Kemp Mill Elementary School: \$2,503
- Kingsview Middle School: \$4,635
- Lathrop E. Smith Environmental Education Center: \$2,984
- Mark Twain School: \$720

Please note that for a complete list with full project descriptions, visit www.cbtrust.org.

St. Mary's River Watershed Association Expands its Programs



The St. Mary's River Watershed Association was awarded a \$10,000 grant through the Trust's Capacity Building program, which was created to strengthen watershed organizations throughout the state. This grant in particular assisted the organization to set priorities through a strategic planning process. In addition, the association expanded its outreach through an improved newsletter, website and a festival called the RiverFest, a volunteer-driven annual watershed education event. They also initiated a new water quality monitoring program to further expand its effectiveness.

- Maryland DNR-Tributary Strategies Program, Middle Potomac: \$5,000
- North Chevy Chase Elementary School: \$1,143
- Oak Chapel Academy: \$1,050
- Oneness Family School: \$375
- Pine Crest Elementary School: \$3,335
- Piney Branch Elementary School: \$2,590
- Poolesville High School: \$500
- Poolesville High School: \$521
- Potomac Conservancy: \$25,000
- Potomac Riverkeeper: \$15,000
- Redland Middle School: \$3,500
- Roberto Clemente Middle School: \$1,750
- Silver Spring International Middle School: \$960
- Sligo Creek Elementary School: \$1,050
- St. Catherine Laboure School: \$1,090
- The Interstate Commission on the Potomac River Basin: \$5,000
- The McLean School: \$1,480
- Town of Chevy Chase Village: \$15,000

- Trout Unlimited Potomac-Patuxent Chapter: \$2,000
- Westbrook Elementary School: \$7,400
- Wyngate Elementary School: \$1,490

PRINCE GEORGE'S COUNTY

\$104,168

- Alice Ferguson Foundation: \$50,000
- Berwyn Heights Elementary School: \$1,959
- Bowie Montessori Children's House: \$1,593
- Concordia Lutheran School: \$570
- Earth Reports: \$13,000
- Friends Community School: \$490
- Greenbelt Homes, Inc.: \$3,163
- Henson Valley Montessori School: \$2,000
- Laurel Elementary School: \$1,100
- Northwestern High School: \$350
- Prince George's County Government Department of Environmental Resources: \$1,997
- Rockledge Elementary School: \$2,675
- Samuel Ogle Middle School: \$4,271
- Chesapeake Bay Environmental Center: \$24,000
- Chesapeake Bay Recovery Partnership: \$300,000
- Eastern Shore Land Conservancy: \$20,000
- Even Start Family Literacy Program: \$453
- Kennard Elementary: \$3,433
- Maryland DNR-Conservation Corps: \$713
- Maryland DNR-State Forest and Park Service-Wye Island NRMA: \$684
- Maryland DNR-Watershed Services, Landscape and Watershed Analysis: \$4,100
- Matapeake Elementary School: \$575
- Sudlersville Elementary School: \$4,307

SAINT MARY'S COUNTY

\$33,884

- Chesapeake Bay Field Lab, Inc.: \$2,355
- Elms Environmental Education Center: \$596
- Hollywood Elementary School: \$3,122
- Lettie Marshall Dent Elementary School: \$1,165
- Oakville Elementary School: \$606
- St. Mary's College of Maryland: \$2,750
- St. Mary's River Watershed Association: \$23,290

QUEEN ANNE'S COUNTY

\$359,603

- Chesapeake Bay Environmental Center, Wildfowl Trust of North America, Inc.: \$1,338

Please note that for a complete list with full project descriptions, visit www.cbtrust.org.

STATEWIDE

\$300,403

- Adkins Arboretum: \$5,000
- Alice Ferguson Foundation: \$21,000
- Alliance for the Chesapeake Bay: \$18,555
- Chesapeake Ecology Center: \$5,000
- Lower Potomac Tributary Team: \$735
- Marine Trades Association of Maryland, Inc.: \$1,800
- Maryland Association for Environmental and Outdoor Education: \$6,500
- Maryland Association of Forest Conservancy District Boards: \$11,500
- Maryland Association of Soil Conservation Districts: \$5,000
- Maryland Center for Agro-Ecology: \$40,000
- Maryland Department of Agriculture: \$2,750
- Maryland DNR-Outdoor Discovery Camp: \$1,596
- Maryland DNR-Resource Assessment Service, Tidewater Ecosystem Assessment: \$13,346
- Maryland DNR-Tributary Strategies Program: \$2,000
- Maryland Environmental Trust: \$3,290
- National Aquarium in Baltimore: \$5,000
- Maryland DNR-Maryland Bay Game: \$5,000
- Oyster Recovery Partnership: \$25,000
- River Network: \$7,650
- Sultana Projects, Inc.: \$17,050

- Summer Days Math and Science Camp for Girls: \$1,700
- The Center for Agricultural Partnerships: \$5,000
- The Community College of Baltimore County: \$3,000
- University of Maryland Center for Environmental Science: \$49,886
- University of Maryland Cooperative Extension Service: \$14,045
- University of Maryland, National Center for Smart Growth Research and Education: \$20,000
- University of Maryland, Sea Grant Extension Program: \$15,000

TALBOT COUNTY

\$121,453

- Pickering Creek Environmental Center: \$16,640
- Saints Peter and Paul High School: \$525
- St. Michaels High School: \$375
- Talbot County Department of Public Works: \$93,000
- Talbot River Protection Association: \$10,250
- The Country School: \$663

WASHINGTON COUNTY

\$26,904

- Beaver Creek Watershed Association: \$18,940
- Boonsboro High School: \$1,094
- Highland View Academy: \$2,380

- Smithsburg High School: \$4,490

WASHINGTON, D.C.

\$11,450

- Brent Elementary School: \$1,200
- Capitol Hill Cluster School: \$1,133
- R.H. Terrell Jr. High School: \$3,000
- Friends of the Cleveland Park Library: \$696
- Mildred Green Elementary School: \$1,200
- Oyster Bilingual Elementary School: \$1,200
- Sousa Middle School: \$1,200
- The Seed Public Charter School: \$1,821

WESTERN MARYLAND

\$200,000

- University of Maryland: \$200,000

WICOMICO COUNTY

\$50,140

- Chesapeake Bay Foundation: \$20,000

- Glen Avenue Elementary School: \$1,715
- Maryland DNR-Watershed Services, Landscape and Watershed Analysis: \$15,500
- Nanticoke Watershed Alliance: \$15,000
- Salisbury University: \$10,000
- Wicomico Alternative Learning Center: \$825
- Wicomico Environmental Trust: \$2,100

WORCESTER COUNTY

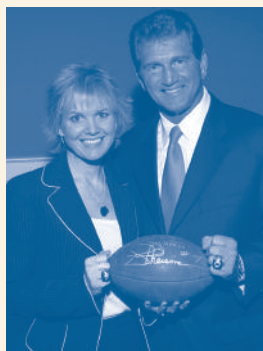
\$59,029

- Friends of Walkers Pond: \$1,200
- Lower Shore Land Trust: \$5,000
- Maryland DNR-Coastal Bays: \$21,200
- Stephen Decatur Middle School: \$1,879
- Town of Berlin: \$5,500
- University of Maryland Center for Environmental Science: \$22,100
- Worcester County Public Schools: \$2,150





The 2006 Treasure the Chesapeake was one of the best Trust celebrations on record, taking place on a beautiful night in April at the Chesapeake Bay Beach Club. In addition to over 400 registered attendees, more than 75 sponsors participated in this event and showed their support for the Trust and for the Bay restoration effort as a whole. **Joe Theismann**, ESPN Monday Night Football analyst and former Washington Redskins star, served as a special guest during the event and entertained



the crowd for hours, starting at the VIP reception and lasting long until the program was over. He was joined by Trust leadership and special guests, as well as dozens of key partners and Bay supporters. The Trust's silent auction also was a hit for the organization, bringing in more than \$14,000, which was double any previous year. In total, TTC 2006 raised almost \$43,000 for the Trust, which will directly support projects that help the Chesapeake Bay.

The Trust would like to thank the businesses that contributed to the TTC 2006's silent auction and made in-kind donations to the Trust

Annapolis Pottery
Annapolis Weather Vanes and Cupolas
Artist's Framer
Buddy's Crabs & Ribs
Buxton Photography
Caffé Pronto
Constellation Energy
Corridor Wine and Spirits
David Harp Photography
Dogwood Acres Pet Resort
Drake Mobile Marine Performance
Harry Browne's Restaurant
Hemingway's Restaurant
Herrmann Advertising Design/Communications
Hudson & Fouquet
Hunter's Oak Golf Club
Hyatt Regency Chesapeake Bay
JEB Design, Inc.
Joe Theismann
La Belle Cezanne

Living Classrooms Foundation
M&T Bank
Managance Consulting
Martek KI
Michael Land Photography
Michael Phelps
Mimi Armstrong Landscaping Design
Oyster Recovery Partnership
Phillips Annapolis Harbor Restaurant
Pintail Point
PRS Guitars
Rainbow Printing
Renditions Golf Course
South River Imports
St. John's College
The Wine Advocate
Watermark Cruises
Weems and Plath
Wegner Metal Arts
Wooves & Whiskers

CHESAPEAKE BAY TRUST GRANT PRIORITIES



The Chesapeake Bay Trust is committed to advancing the goals of the Chesapeake Bay restoration effort and has multiple grant programs that are available, with each playing a different role in

the effort to help the Chesapeake. Chesapeake 2000, a regional agreement that outlines restoration and protection goals, guides this effort. As a result, the Trust has established its grant making priorities, listed below, to coincide with the Chesapeake 2000 agreement.

In 2005-2006, the Trust awarded more than \$2.9 million in grants and has made a commitment to award \$10 million during the next three years. However to accomplish its mission, the Trust relies heavily on the general public to get involved through its grant programs as much as possible. The Trust's grants are summarized below and for a complete description of grant guidelines, application procedures and current deadlines, please call the Trust at 410.974.2941 or visit www.cbtrust.org.

Grant Opportunities

- **The Mini grants program** awards grants up to \$5,000 for projects that address one or more of the Trust's grant making priorities. The majority of applications are submitted by schools for field experiences and on-the-ground student service projects. However, organizations and agencies may also submit grants for small projects and public awareness initiatives. Applications are accepted at any time but take four to six weeks to process.
- **The Stewardship grants program** provides resources to watershed associations, citizen groups, volunteers, teachers and students who work to protect and preserve the Chesapeake Bay and its rivers through on-the-ground restoration and demonstration projects. Stewardship grant awards are between \$5,001 and \$25,000 for projects that address one or more of the Trust's grant making priorities and are available on a bi-annual basis.
- **The Fisheries grants program** is supported by a partnership between the Chesapeake Bay Trust and the FishAmerica Foundation. In 2006, grants of up to \$35,000 were available to Maryland nonprofit

organizations and their partners to restore and enhance the quality of Maryland fisheries. This program can vary in criteria from year to year.

- **The Capacity Building grants program**, which works in partnership with the Chesapeake Bay Funders Network and the Keith Campbell Foundation for the Environment, is a new funding collaborative that seeks to build the organizational capacity of watershed organizations so they can carry out more effective programs that improve the health of the Chesapeake Bay and its rivers. This initiative is a comprehensive program that provides support through grants and technical assistance tailored to the individual needs of watershed organizations.
- **The Living Shorelines grants program** is designed to reverse the trend of shoreline hardening by encouraging the creation of living shoreline restoration projects and by enhancing public awareness about the benefits of living shorelines. In the past cycle, requests of up to \$50,000 were accepted on an annual basis.
- **The Community Greening grants program** is designed to aid communities in implementing "greening" plans that increase tree canopy, reduce storm water runoff, and improve air quality in urban areas. This program awards grants of up to \$50,000 to local governments and/or non-profit organizations working to adopt a plan to green communities in Maryland.
- **The Pioneer grants program** is designed to encourage and promote innovative ideas, creative partnerships and cutting-edge projects that advance Bay restoration. This is an annual grant program with grant awards up to \$100,000. The focus of this program may change from year to year.
- **The Targeted Watershed grants program** focuses on the implementation of practices to reduce non-point source nutrient input into the Chesapeake Bay, targeting small watersheds. The goal of this program is to promote nutrient reductions in sustainable and cost-effective ways. This grant program may vary from year to year.

Application Process

Many different types of Maryland organizations and public agencies may apply for Trust grants. Groups eligible to apply for funding include public and private schools and universities, nonprofit organizations, faith-based organizations, youth groups and community organizations, municipal, county, state, and federal agencies, soil and water conservation districts, forestry boards and resource conservation/development councils.

All applicants are encouraged to discuss project ideas with Trust staff before completing an application. Criteria, deadlines and application processes vary by grant program. Visit the Trust's website, www.cbtrust.org, for the latest information on application criteria and deadlines. Proposals are evaluated based on the project's potential to meet grant program goals, clarity of project expectations, plans for achieving the objectives and qualifications of the organization that will carry out the activities.

The Trust does not award grants in support of (a) endowments, (b) individuals, (c) building campaigns, (d) deficit financing, (e) annual giving, or (f) research. The Trust does not provide grants to support lobbying or activities that advocate political solutions.

Recipients will be held accountable for certifying how grant funds have been used and for verification of grant expenditures at project completion.

TRUST CONTRIBUTORS

The Trust would like to thank all its contributors, sponsors and partners who make its efforts possible.

Contributions of \$200,000 or more

The Keith Campbell Foundation
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 Weems Creek Conservancy

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Chesapeake Bay Trust
Annapolis, Maryland

We have audited the accompanying balance sheets of Chesapeake Bay Trust (the "Trust") as of June 30, 2006 and 2005, and the related statements of support and revenue, expenses and changes in fund balances, and cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chesapeake Bay Trust as of June 30, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 22, 2006 on our consideration of the Trust's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Anderson, Davis & Associates, CPA

Glen Burnie, Maryland
August 22, 2006

NOTES TO THE FINANCIAL STATEMENTS

Note 1. ORGANIZATION AND PURPOSE

The Chesapeake Bay Trust (the "Trust") is a body corporate that was created July 1, 1985 by the General Assembly of the State of Maryland. The Trust was organized for the general benefit of the citizens of Maryland and has the statutory mission to solicit and accept gifts, grants, legacies and endowments for the advancement, restoration and protection of the water quality, land and aquatic resources of the Chesapeake Bay.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**BASIS OF ACCOUNTING:**

Pursuant to the Government Accounting Standards Board ("GASB") Staff Paper, *Applicability of GASB Standards*, the Trust has adopted the basis of accounting applicable to government not-for-profit entities. This basis of accounting is defined in GASB Statement Number 29, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities* (GASB No. 29) as the "AICPA Not-for-Profit model."

GASB No. 29 allows government not-for-profits to use the provisions of the American Institute of Certified Public Accountants Statement of Position ("SOP") Number 78-10, *Accounting Principles and Reporting Practices for Certain Nonprofit Organizations*, modified by all applicable GASB pronouncements and Financial Accounting Standards Board ("FASB") pronouncements issued through November 30, 1989.

Conforming with GASB No. 29 and GASB No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued June 1999, the financial statements of the Trust have been prepared on the accrual basis of accounting in accordance with the provisions of SOP 78-10.

USE OF ESTIMATES:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH EQUIVALENTS:

For purposes of the Statement of Cash Flows, the Trust considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

PROMISES TO GIVE:

Promises to give are not recorded in the financial statements until the contributions are received by the Trust.

EXPENDABLE RESTRICTED RESOURCES:

To ensure observance of limitations and restrictions placed on the use of resources available to the Trust, accounts are segregated into restricted and unrestricted funds according to their nature and purpose.

Funds restricted by the donor, grantor, or other outside party for particular operating purposes are deemed to be earned and reported as revenues of the restricted fund when the Trust has incurred expenditures in compliance with the specific restrictions. Such amounts received but not yet earned are reported as deferred revenue, restricted.

FIXED ASSETS:

Fixed assets consist of computer and office equipment, which have a useful life of five years. The equipment is depreciated over its useful life using the straight-line depreciation method, with a half-year depreciation in the year of acquisition. The Trust capitalizes individual assets with a cost to or greater than \$1000.

	2006	2005
Cost	\$39,172	\$37,498
Accumulated depreciation	(28,533)	(22,878)
Fixed assets, net	\$10,639	\$14,620

Depreciation expense for the years ended June 30, 2006 and 2005 was \$5,655 and \$6,827, respectively.

COST ALLOCATION:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of support and revenue, expenses and changes in fund balances. Accordingly, certain costs have been allocated among the programs and the supporting services benefitted.

GRANTS:

Grants in excess of \$5,000 are recorded as an expense and liability at the time the Board of Trustees or Grants Review Committee approves and awards them. Grants up to \$5,000 are recorded as an expense at the time the award is determined by the Executive Director.

NOTES TO THE FINANCIAL STATEMENTS

Note 3. CONCENTRATION OF CREDIT RISK

The Trust has cash deposits with financial institutions, which at times exceed the amount insured by the federal agencies and, therefore, bear some risk of loss. To date, the Trust has not experienced any losses as a result of this risk. Pursuant to Financial Accounting Standards Board Statement No. 105, the following summarizes the Trust's cash (excluding money markets), as of June 30, 2006, in excess of federally insured limits, none of which is specifically collateralized:

Cash, in excess, in federally chartered bank \$ 189,817

Note 4. INVESTMENTS

Investments consisted of the following at June 30,:

	Cost	Market Value	Cost	Market Value
	2006		2005	
Money Market	\$ 85,148	\$ 85,148	\$ 959,373	\$ 959,373
United States Treasury obligations	3,654,165	3,536,222	4,846,756	4,875,759
United States Government Agencies	3,367,526	3,249,066	3,495,048	3,503,697
Corporate Obligations	1,784,494	1,740,250	-	-
	<u>\$ 8,891,333</u>	<u>\$ 8,610,686</u>	<u>\$ 9,301,177</u>	<u>\$ 9,338,829</u>

Of the investments carried at market value at June 30, 2006 and 2005, \$14,990 and \$12,750, respectively, were recorded as Agency Funds Held for Others, Investments, on the Balance Sheet. Allowance for appreciation (depreciation) of investments at June 30, 2006 and 2005 was (\$280,646) and \$37,652, respectively. Net realized gains (losses) on the sale of investments for the year ended June 30, 2006 and 2005 were (\$16,148) and \$214, respectively.

Note 5. AGENCY FUNDS

The Trust acts as a custodian for certain organizations. The amounts collected and expended on behalf of other organizations are not activities of the Trust. Consequently, the amounts collected and expended on behalf of these organizations are excluded from the accompanying Statements of Support and Revenue, Expenses and Changes in Fund Balances.

Shorelines grants. At June 30, 2005, Restricted Net Assets consists of \$20,000 of temporarily restricted contributions for the evaluation of watershed environmental education needs and progress.

Note 6. BOARD DESIGNATED ENDOWMENT

The Trust's Board of Trustees has established a designated endowment of \$5,000,000 to help perpetuate the existence of the Trust and protect against future conditions which may alter its ability to support Chesapeake Bay restoration and education projects. This endowment is a result of an internal designation and not restrictions placed by donors. Accordingly, income earned on investments related to the designated endowment is not restricted and is included as income in the unrestricted fund.

Note 8. MARYLAND STATE INCOME TAX CHECK-OFF AND BAY LICENSE PLATE CONTRIBUTIONS

Maryland taxpayers may include unrestricted contributions with their State income tax returns. Such contributions are divided equally between the Trust and the Wildlife and Heritage Division of Maryland Department of Natural Resources. Contributions relating to the Trust amounted to \$590,091 in 2006 and \$572,008 in 2005. This program continues through the upcoming fiscal year.

Residents of the State of Maryland may also purchase the special Chesapeake Bay commemorative license plate for their vehicle for a total amount of \$20, of which \$10 goes directly to the Trust. Contributions received from the Bay license plate program amounted to \$720,410 in 2006 and \$821,793 in 2005. In March 2004, the Trust began receiving a portion of renewal fees collected by the Maryland Vehicle Administration when the Bay license plates are renewed. The Trust received \$1,347,685 and \$1,047,150 for plate renewal fees for the years ended June 30, 2006 and 2005, respectively. A portion of such amounts, along with the

Note 7. RESTRICTED NET ASSETS

At June 30, 2006, Restricted Net Assets consists of \$75,000 of temporarily restricted contributions related to Living

NOTES TO THE FINANCIAL STATEMENTS

Maryland State income tax check-off contributions are included in contributions receivable at June 30, 2006 and 2005, respectively. The Trust's contract with the State of Maryland expires June 30, 2008.

These types of contributions represented approximately 88% and 93% of total contributions for 2006 and 2005, respectively.

Note 9. STATE SUPPORT

The Trust employees participate in either the State of Maryland defined benefit pension plan or the Maryland Environmental Services 401(k) plan and state health insurance benefits program. Pension expense was \$17,863 in 2006 and \$14,442 in 2005. Health insurance benefits were \$30,173 in 2006 and \$22,729 in 2005, the amount charged by the State of Maryland. Information regarding accumulated plan benefits and plan net assets available for benefits relating to the Trust employees is not available because the plan administrator does not provide the information for the Trust portion of the plan.

Note 10. INCOME TAX STATUS

The Trust is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and is also exempt from excise taxes under Code Section 509(a)(1). Therefore, the accompanying financial statements do not reflect any provision or liability for Federal or State income or excise taxes.

Note 11. OPERATING LEASE COMMITMENTS

The Trust leases office space under a cancelable operating lease expiring July 31, 2007. Rent expense was \$85,468 and \$78,577 in 2006 and 2005, respectively. The Trust also leased office equipment under an operating lease, which expires in November 2009. Expenses relating to this lease were \$1,548 and \$1,401 for 2006 and 2005, respectively. Future minimum lease payments for fiscal years ending June 30 are as follows:

2007	\$78,103
2008	\$ 7,943
2009	\$ 1,548
2010	\$ 645

Note 12. RELATED PARTY TRANSACTIONS

The Trust granted several awards in fiscal years 2006 and 2005 to organizations related to the Trust through Board membership. Below is a listing of the awards granted:

	2006	2005
Audubon Maryland/DC	\$ 16,640	\$ 24,705
Calvert County Public Schools	-	9,300
Chesapeake Bay Environmental Center	25,338	47,000
Eastern Shore Land Conservancy	20,000	-
Irvine Nature Center	20,000	-
Living Classrooms Foundation	15,875	18,050
Maryland Association for Environmental and Outdoor Educators	6,500	6,000
Maryland Center for AgroEcology	40,000	17,500
Maryland Department of Agriculture	202,750	124,375
Maryland Department of Natural Resources	348,187	28,738
NorthBay Environmental Camp	2,500	-
Oyster Recovery Partnership	45,000	25,000
Patapsco/Back River Tributary Team	460	800
Smithsonian Environmental Research Center	25,000	-
University of MD College of Agriculture and Natural Resources	200,000	-

Included in grants payable at June 30, 2006 and 2005 was \$41,766 and \$124,375, respectively, payable to a related party.

STATEMENTS OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	2006			
	Unrestricted	Restricted	Total	Unrestricted
Support and revenue:				
Contributions	\$2,669,574	\$341,265	\$3,010,839	\$2,446,059
Special events, net of direct expenses of \$74,549 and \$63,875 for 2006 and 2005, respectively	44,165	-	44,165	63,815
Realized gain (loss) on sale of investments	(16,148)	-	(16,148)	214
Interest and dividends	409,682	-	409,682	348,607
Total support and revenue	3,107,273	341,265	3,448,538	2,858,695
Expenses:				
Program services:				
Program grants	2,479,453	239,000	2,718,453	1,868,474
Program management	628,336	-	628,336	563,186
Total program services	3,107,789	239,000	3,346,789	2,431,660
Supporting services:				
Management and general	185,016	20,000	205,016	179,741
Fund-raising	265,255	27,265	292,520	130,076
Total supporting services	450,271	47,265	497,536	309,817
Total expenses	3,558,060	286,265	3,844,325	2,741,477
Excess (deficit) of support and revenue over expenses before net unrealized loss on investments	(450,787)	55,000	(395,787)	117,218
Net unrealized loss on investments	(308,547)	-	(308,547)	(1,531)
Excess (deficit) of support and revenue over expenses after net unrealized loss on investments	(759,334)	55,000	(704,334)	115,687
Fund balances, beginning of year	9,477,733	20,000	9,497,733	9,362,046
Fund balances, end of year	\$8,718,399	\$75,000	\$8,793,399	\$9,477,733

The notes to the financial statements are an integral part of these statements.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

2005			2006	2005
Restricted	Total			
		Cash flows from operating activities:		
		Excess (deficit) of support and revenue over expenses after net unrealized loss on investments	\$ (704,334)	\$135,687
\$178,582	\$2,624,641	Adjustments to reconcile excess (deficit) of support and revenue over expenses after net unrealized loss on investments to net cash provided by (used in) operating activities:		
-	63,815	Depreciation	5,655	6,827
-	214	Unrealized loss on investments	308,547	1,531
-	348,607	Realized gain (loss) on investments	16,148	(214)
178,582	3,037,277	Changes in assets and liabilities:		
		Decrease (increase) in:		
		Agency funds held for others, receivable	(905)	(28,600)
		Contributions receivable	(35,516)	167,614
		Interest receivable	(22,926)	20,739
70,000	1,938,474	Increase (decrease) in:		
-	563,186	Accounts payable	8,030	(6,392)
		Salaries payable	11,057	(7,405)
70,000	2,501,660	Grants payable	241,578	396,231
		Deferred revenue	2,240	(9,983)
-	179,741	Net cash (used in) provided by operating activities	(170,426)	676,035
88,582	218,658	Cash flows from investing activities:		
88,582	398,399	Purchases of investments	(7,361,916)	(6,826,636)
		Purchase of fixed assets	(1,673)	(3,760)
158,582	2,900,059	Maturities/sales of investments	7,767,603	5,913,740
		Net cash provided by (used in) investing activities	404,014	(916,656)
20,000	137,218	Net increase (decrease) in cash and cash equivalents	233,588	(240,621)
-	(1,531)	Cash and cash equivalents, beginning of year	56,329	296,950
20,000	135,687	Cash and cash equivalents, end of year	\$289,917	\$56,329
-	9,362,046	Supplementary cash flow information:		
		Interest paid	\$ -	\$ -
\$20,000	\$9,497,733	Income taxes paid	\$ -	\$ -

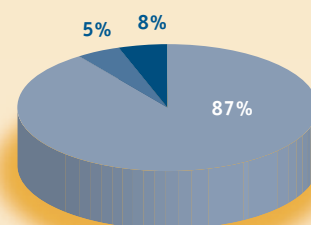
The notes to the financial statements are an integral part of these statements.

BALANCE SHEETS, JUNE 30, 2006 and 2005

	2006	2005
ASSETS		
Cash and Cash Equivalents	\$289,917	\$56,329
Investments	8,595,696	9,326,079
Agency Funds Held for Others, Investments	14,990	12,750
Agency Funds Held for Others, Receivable	29,505	28,600
Contributions Receivable	835,783	800,267
Interest Receivable	83,873	60,947
Fixed Assets, Net	10,639	14,620
TOTAL ASSETS	\$9,860,403	\$10,299,592
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$9,188	\$1,158
Salaries Payable	35,398	24,341
Grants Payable	992,438	750,860
Deferred Revenue	14,990	12,750
Agency Funds Held For Others	14,990	12,750
Total Liabilities	\$1,067,004	\$801,859
FUND BALANCES		
Unrestricted	\$3,718,399	\$4,477,733
Board Designated Endowment	5,000,000	5,000,000
Total Unrestricted	\$8,718,399	\$9,477,733
Restricted	\$75,000	\$20,000
Total Fund Balances	\$8,793,399	\$9,497,733
TOTAL LIABILITIES AND FUND BALANCES	\$9,860,403	\$10,299,592

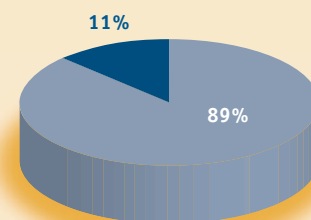
The notes to the financial statements are an integral part of these statements.

2006 USE OF FUNDS



Programs: 87%
 - Grants Awarded (\$2,718,453)
 - Grants Administration (\$628,336)
 Management: 5%
 Fundraising: 8%

2006 RESOURCES



Contributions: 89%
 - Bay License Plate Sales and Renewals (\$2,068,095)
 - Bay and Wildlife Fund Tax Check-off Tax Check-off (\$587,851)
 - Other (\$399,058)
 Investment Income: 11%



Thank you for your support!





*Your Partner
in Protecting
the Bay*



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