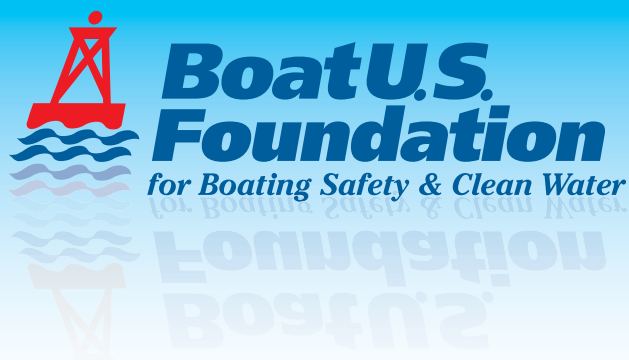


Annual Report 2007

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A Message from the President

I am very pleased to share with you the Foundation's accomplishments for 2007. As I write, I am reminded of the diverse issues and challenges the Foundation tackles every year. As you read this report, it will become clear how important we think delivering safety and environmental programs, grants and services is to the future of recreational boating. The programs and initiatives you will read about are our contribution to the greater good of boating safety and a cleaner world.

Each year we reach millions of boaters with our safe, smart and clean boating messages. Sometimes it seems that progress is slow, but all accomplishments - large and small - support boating families and improve lives. For example, our Free Life Jacket Loaner Program for Kids helps families get their kids in properly fitted life jackets. The "Help Stop the Drops" program teaches boaters how to prevent small spills when fueling. Our free online boating safety course gives boaters the confidence they need to pilot their boats safely. Safer kids, cleaner waterways, smarter boat handling, less trash on our shores and healthy fish habitats makes our experiences on the water something we want to repeat again and again.

While writing this letter, I received the 2007 report from the U.S. Coast Guard on the boating accident and fatality data. Thankfully, it was reported that fatalities were down from 710 deaths in 2006 to 688 deaths in 2007 - that's 22 precious lives saved! We're doing something right but our work is not done. As companies everywhere are now "Going Green" and boasting about fuel efficiency, the Foundation is proud to have been working on these important environmental issues for over 15 years. I will continue to challenge my staff to find new ways to reach boaters with safety and clean water education and outreach programs.

You've heard the saying "It takes a village..." I believe it is true. It takes a community of dedicated individuals and organizations all doing their part to effect change. I am proud that the Foundation is part of that community. I am sincerely grateful to all the BoatU.S. members who contribute each year to help keep our programs afloat. I am also very thankful for the federal and private partners who have funded and trusted us to carry out many of these important outreach projects.

M. Ruth Wood



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Grassroots Grants

The Grassroots Grants programs are designed to fund small, non-profit organizations with innovative projects aimed at addressing the specific boating safety and environmental concerns unique to their local waterways. Since the programs began **over \$1 million in grants have been awarded.**



Boating Safety Grants

Nearly 150 groups applied for the boating safety grants in 2007. Of those applicants, 23 groups representing 18 different states were awarded grants totaling \$50,000. With a focus topic of life jacket wear, the proposed projects

displayed some of the most creative ideas yet. Some of the projects funded this year included printing life jacket safety messages on a blimp that was flown all summer near a popular lake in Glasgow, Kentucky and production of a series of Public Safety Announcements promoting life jacket wear on the screens of 2 local movie theaters in Toledo, Ohio.

Clean Water Grants

The Clean Water Grants program received over 100 applications in 2007 and selected 13 groups from 11 states to receive \$25,000 in grant funds. The focus topic for 2007 grants program was marine debris. The Foundation sought to fund projects that either educated boaters on the prevention of marine debris or engaged boaters in cleaning up marine debris. Funded projects included a debris reporting system, educational kiosks and signage, and trash bag distribution.



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Brochures for Boaters

The Foundation has produced and distributed over 25 million pieces of safety and environmental literature in the past 20 years, including brochures on Life Jackets, Alcohol and Boating, Cold Water Boating, Rules of the Road and Clean Boating. As this program's popularity has grown, other boating safety groups such as the US Power Squadrons, Coast Guard Auxiliary and state and local educators have become a vital link in distributing these brochures. This network has reached to the distant corners of every state and Puerto Rico. In 2007, more than **500,000 pieces were shipped out free of charge**, to be distributed in classrooms, at boat shows and to the general boating public at events across the country. All of the Foundation's brochures are also now available for download on our website – www.boatus.com/foundation/brochure/.



Courseline



The Courseline database continues to grow as more and more states pass mandatory education laws requiring that boaters pass a classroom-based boating safety course and proctored exam. The Courseline allows boaters to search for boating safety classes by zip code or state and county to help them find a course

that is convenient for their location and schedule. Course providers, both public and private, can also log into this website to add their courses to the listing, to announce registration and course dates, as well as price and prerequisites. As an additional customer service, an 800 phone number is manned during normal business hours to assist people with finding the right course to suit their needs. **In 2007, our database grew to nearly 3000 boating safety courses across the nation, 20% more than the previous year's 2500 courses.** More than 30,000 people search for courses through our Courseline website and phone number each year.

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Help Stop the Drops

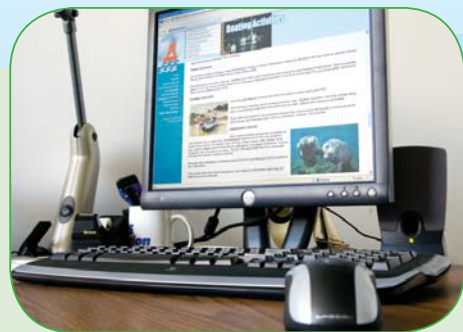
The Help Stop the Drops program is a nationwide outreach program designed to help stop accidental fuel spills. We work to engage fuel docks and marinas with the aim of reaching boaters in the act of fueling and educating them about the simple steps they can take to prevent fuel spills. In 2007, the 700 fuel docks and marinas that had previously received Help Stop the Drops materials were sent a brief survey asking them to evaluate our materials. The response was very positive. All respondents indicated that their customers appreciated their efforts to reduce spills and 94% affirmed that the materials had helped to reduce the number of fuel spills reaching the water. Of the materials provided to the marinas the signs were rated as the most frequently used, and the No Spill was rated the most useful product. All of the products received high marks, especially the signs, magnets and brochures.

Following the encouraging support we received from survey respondents, an additional 350 "Help Stop the Drops" education kits were mailed to marinas in the Great Lakes to assist them in their efforts to promote safe and clean fueling practices. These educational materials including weather and UV resistant signs, magnets and decals along with brochures and the No Spill vent collection device are also available on our website www.helpstothedrops.com where the Foundation received dozens of additional inquiries and requests for materials. **In the past two years, the Foundation has distributed clean fueling educational materials to more than 1,000 fuel docks around the country.**



Online Boating Safety Course

The Online Boating Safety Course provides a free boating safety course to any boater with an Internet connection. The course is NASBLA-approved and accepted in more than 30 states. The Online Course continues to gain popularity with new and seasoned boaters alike as it offers students the opportunity to browse dozens



of topics on boating issues from basic boat preparation to legal requirements of boat operation as well as rules of the road. As a bonus, most boat insurers recognize the fact that educated boaters are safer operators, and offer a premium discount for course completion. **In 2007, the online course website had nearly 200,000 visitors, with more than 40,000 registering for the exam.**

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Life Jacket Loaner Program

The Life Jacket Loaner Program for Kids allows boaters to borrow a kid sized jacket when they have unexpected young crew-members onboard. Many boaters do not realize the hazards of putting children in adult size life jackets. Loaner sites at marinas, tackle shops, boat clubs and other water-based businesses receive the life jackets from the Foundation and make them available to boaters in their communities free of charge. The program also provides jackets for state officials and towboat operators to loan to boaters who are stopped for not having the proper sized jackets.

In 2007, the Foundation partnered with the U.S. Army Corps of Engineers to create **36 additional life jacket loaner sites at USACE facilities in 15 states**. This expansion has brought the total number of active life jacket loaner sites to 400 with locations in all 50 states and the District of Columbia. **Combined, these sites loan life jackets over 90,000 times each year.**



Reel In and Recycle

Monofilament Recycling

2007 was the first year of the BoatU.S. Foundation "Reel In and Recycle" national monofilament recycling program. This effort, paid for in part through a grant from the NOAA Marine Debris Program and the National Fish and Wildlife Foundation, provides fishing line recycling bins to groups around the country to make recycling used fishing line convenient for anglers.

When left in the marine environment, used monofilament can pose a serious threat to wildlife. **In 2007, the Foundation worked with volunteers to construct 350 PVC recycling bins that will be installed at popular fishing spots across the nation.** The bins are maintained by local volunteer groups and waterfront businesses. In 2008, the Foundation will launch a data collection website that will make it easy for groups to record the amount of line they collect and track the total amount of line recycled.

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Foundation Findings #44

Juggling Jerry Jugs

Every year the Foundation tests boating equipment and provides results of these tests in a series of consumer education articles titled Foundation Findings. The goal is to provide the boating public with objective information to make informed purchases.



In a recent Foundation survey on fueling, trailer-boaters informed us that unintentional drips from jerry jugs are a common source of annoying, accidental fuel spills and that tell-tale rainbow sheen on the water. So for Foundation Findings #44, Foundation staff tested several different styles of jerry jugs for flow, ease of use, and durability in effort to better understand this problem and address the issue.

Most of the jugs on the market today have new safety and environmental features designed to curb evaporative emissions and prevent spills. These features include complex self-venting nozzles with a spring closure and/or automatic shut-off. The EPA has mandated that by 2009, all jerry jugs sold in the U.S. have these features.

Our tests confirmed what we had heard; many jugs were prone to spills. **The overall winner and staff pick of our Findings was the 5-gallon No-Spill fuel can which costs only \$24.95.** Its relatively fast flow rate, auto-stop features and drip-less nozzle impressed the testers with its accurate fuel delivery. To find out more and to see the complete results, visit the Foundation Findings website at BoatUS.com/foundation/findings.



Website

The BoatUS. Foundation website is *the* resource for boaters to find safety and environmental information. Boaters can also get involved through surveys on fueling habits and personal watercraft, videos on foundation findings product testing, quizzes on rules of the road and safe boating practices and much

more. Go to BoatUS.com/Foundation to **sign up for our quarterly e-newsletter to stay informed about all the new and exciting things we're doing** and to see more features and tools that are added to our website every day.

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Sportsman's Forum

The Sportsman's Forum began as a Coast Guard grant to target boating safety messages to hunters and anglers who use boats in the pursuit of their sport. This demographic has been historically difficult to reach with these critical messages, resulting in an above average accident and fatality rate among boaters.

The grant saw a major shift in 2006/2007—from a national campaign to a more localized focus, starting with a targeted effort in the California Delta region. Working in conjunction with the California Department of Boating and Waterways, the U.S. Coast Guard, and the National Safe Boating Council, the Foundation helped craft and implement a campaign that was highly successful in getting Delta boaters to wear the life jackets. Efforts included giving away inflatable life jackets, and other items that carried the "Wear It!" campaign logos and safety information. The Foundation created a popular fishing map that included a variety of safety information. Ads were placed on local radio stations, in movie theaters, and in local fishing magazines. What was the result? **Life jacket use more than doubled in the region, as measured by an observational study conducted by the Coast Guard - while no other area in the country saw a similar increase.** Buoyed by this success, the Foundation will continue to work with these groups, and expand this targeted effort into Tennessee in 2008.



Staff Involvement

The BoatU.S. Foundation is dedicated to making boating safer and cleaner for future generations. To that end, our staff serve on committees and in leadership roles for organizations throughout recreational boating, including:

- National Safe Boating Council (NSBC)
- United States Power Squadron (USPS)
- United States Coast Guard (USCG)
- United States Coast Guard Auxiliary (USCGA)
- National Association of State Boating Law Administrators (NASBLA)
- NASBLA Waterways Management Committee
- NASBLA Education & Awareness Committee
- NASBLA Boats & Associated Equipment Committee
- Chesapeake Bay Observing System Steering Committee
- Maryland Clean Marinas Program Advisory Board
- Ohio Clean Marinas Program Advisory Board
- Pacific Oil Spill Education Task Force
- Transportation Research Board's Marine Environmental Committee
- Boating Accident Investigation Reporting and Analysis Committee
- American Boat and Yacht Council (ABYC) Product Interface Committee

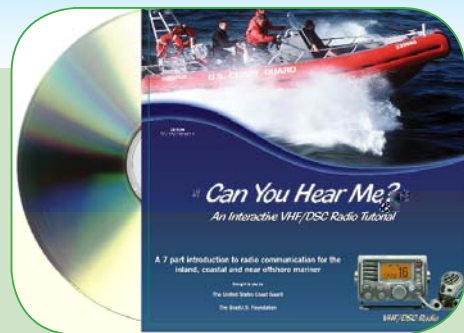
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DSC/VHF Radio Tutorial

Digital Select Calling

The "Can You Hear Me?" DSC Tutorial was developed as an interactive tool, teaching boaters about new DSC radio technology and how it can help them be safer on the water. The tutorial covers a range of related topics including: the necessity of a VHF Radio on board your boat; the Coast Guard's new Rescue 21 search and rescue program and how it works; what DSC is and how it benefits boaters; and VHF/DSC radio installation and use. The tutorial also includes an interactive VHF radio simulator to give boaters a hands-on look at how easy it is to use a VHF/DSC radio.

The "Can You Hear Me?" DSC Tutorial taught and entertained more than 19,000 boaters in 2007! Based upon the success and demand for the Tutorial in different formats, the Foundation sought, and received, a Coast Guard Boating Safety Grant in 2007 to expand distribution of the Tutorial by placing it on a CD, and offering it as a download in the Boater's Toolbox on our website. Work proceeded through 2007 with an anticipated launch date of early 2008.



BoatU.S. Foundation Awards



Throughout the country, the BoatU.S. Foundation works with organizations to spread the message of clean boating. In order to recognize the dedication of these partners, the Foundation created the **Environmental Leadership Award** in 2007. We received over 40 nominations praising the accomplishments

of individuals, local groups and even entire companies in the boating industry. **H.P. Sandy Purdon, founder of the Clean Marinas California Program was unanimously selected to be the first recipient of the BoatU.S. Foundation Environmental Leadership Award.** He received a \$1,000 check to help continue his efforts as well as a beautiful recycled glass plaque.

Each year, the Boating Safety Grants and Clean Water Grants programs also present an award to a grantee that has demonstrated particular excellence in executing their grant project. With this **Excellence in Boating Safety Grants Award** and **Excellence in Clean Water Grants Award**, these groups are given an extra \$1,000 to help continue their projects promoting boating safety and environmentally responsible boating practices.

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Epirb Rental Program

With 10 years of providing peace of mind to the occasional offshore boater, **our EPIRB Rental program has played a role in saving the lives of 53 people during 23 activations.** Our 406MHz EPIRBs are rented over 500 times each year. Providing a safety net for boaters traveling beyond VHF range, EPIRBs can send a signal alerting search and rescue teams should the unthinkable occur. The program is funded by a low weekly rental fee of \$40 and is subsidized in part by the generous donations made to the Foundation's general fund.

Marking this ten-year anniversary, in 2007 the Foundation purchased 50 new McMurdo Smartfind Plus GPS-enabled EPIRBs to replace older EPIRBs that will soon be retired as they reach the end of their useful lives. This new EPIRB technology is intended to provide quicker and more accurate location information to search and rescue personnel. The Foundation also began the process of developing a new web-based management system for the EPIRB program. This new program will streamline the ordering process for the customer and make it possible for repeat customers to save their personal information for future orders.



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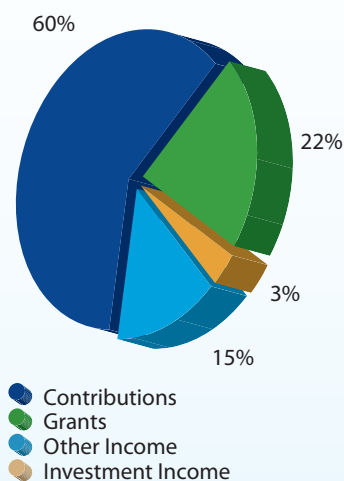
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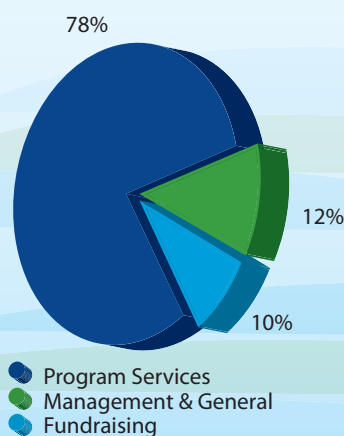
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Financials

Support & Revenues



Expenses



SUPPORT & REVENUES

	2007	2006
Contributions	\$1,035,205	\$1,015,828
Federal Grants	372,544	218,950
Other Income (Royalties, in-kind contributions, program income)	265,110	304,393
Investment Income	57,231	53,693
Unrealized gain (loss) on long term investments	(4,469)	10,794

Total Unrestricted Revenues and Gains: 1,725,621 2007; \$1,603,658 2006

EXPENSES & LOSSES

	2007	2006
Program Services		
Courseline	58,122	\$77,824
Reference Resource Center	59,129	59,041
Brochures & Publications	141,979	62,597
Online Course	101,617	114,462
Conferences & Seminars	68,597	81,568
Foundation Findings	51,652	34,608
Website	42,361	42,597
Life Jacket Loaner Program for Kids	54,594	43,470
EPIRB Rental	93,132	96,087
Sportsman's Forum & DSC Tutorial	331,022	249,067
Clean Water Grants	67,014	82,368
Boating Safety Grants	75,323	85,939
General Education & Research	54,605	121,631
Clean Fueling Programs	40,232	73,030
Marine Debris	42,819	-
Simulator	18,726	-
Other Programs	10,834	20,011
Total Program Services	\$1,311,758	\$1,244,300

Support Services

Management and General	202,880	159,602
Fundraising	159,674	130,085

Total Expenses	\$1,674,311	\$1,533,987
Increase (Decrease) in Net Assets	51,309	69,671
Net Assets at beginning of the year	692,320	622,649
Net Assets at the end of the year	\$743,629	\$692,320

A copy of the audited financial statements and IRS 990 tax return are available through our offices in Annapolis, MD and Alexandria, VA.

Our Mission

The BoatU.S. Foundation is a national 501(c)(3) nonprofit organization dedicated to promoting safe and environmentally sensitive boating. Our goal is to be a leader in boating safety and environmental education and outreach, with the purpose of reducing accidents and fatalities, increasing stewardship of our waterways and keeping boating a safe and enjoyable pastime.

How You Can Help

Boat owners who care about safety and the marine environment are core supporters of the Foundation and help to keep these programs afloat. To learn more about our programs, or to get involved, please visit BoatUS.com/Foundation.



Donate to the Life Jacket Loaner Program for Kids!

Help keep kids safe on the water! Your donation of \$10 will buy one new child's life jacket; \$250 will fund a new loaner site. Visit our website to donate online or send your donation directly. If you are a member of BoatU.S. you can designate a gift to the Foundation each time you renew your membership.

Honor a Friend

Do you know someone who lives and breathes boating? Make a donation that will celebrate their passion. It's a wonderful way to remember a friend or loved one, or to commemorate a special occasion.

Holiday Cards

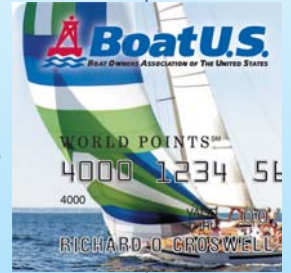
Order nautical-themed holiday cards through the Foundation! These great designs can be personalized from your family, organization or boating group.

Lighthouse Checks

Order lighthouse-themed personal checks and support the Foundation. To order, visit our website, or look for "The Check Gallery" insert in your Sunday paper!

BoatU.S. Credit Card

Sign up for a Bank of America BoatU.S. credit card and get a double rewards points on marine purchases, plus, with each new card the Foundation receives a donation!



Planned Giving

Consider making a larger gift that could offer you a greater tax advantage. To discuss planned giving options, please contact Pamela K. Misener, Financial Consultant, Wachovia Securities, at 1-800-992-8699 or at Pamela.Misener@wachoviasec.com

Headquarters Office
880 South Pickett Street
Alexandria, Virginia 22304

800-245-2628

Annapolis Office
147 Old Solomons Island Road, Suite 513
Annapolis, Maryland 21401

www.BoatUS.com/Foundation