

2012 ANNUAL REPORT



**Boat U.S.
Foundation**
for Boating Safety & Clean Water

FROM THE PRESIDENT

2012 marked a few milestones for the Foundation—the renewal of our award winning Online Boating Safety Course, the release of our Clean Up Guide, and several other achievements. There were also growing pains, as we learned through trial and error how to bring cutting edge and highly advanced online education to boaters. And there were tragedies, as we watched Hurricane Sandy wreak havoc on the Northeast. Through it all the dedicated staff of the Foundation continued to help America’s boaters stay safe and keep our waters clean.

While the Foundation certainly looks to the future, in 2012 we also looked to our past, revisiting a Findings test from a decade ago, and re-launching Teens Afloat—which provides life jackets for young adults. Both were re-done with modern influences—Findings used extensive videos to better relate how dog life jackets performed, and Teens Afloat used Social Media for the application, voting and selection process. And that captures how the Foundation

functions—we’re true to our roots, but also very adept at using current methodologies.

Our roots—educating boaters and providing them superior customer service, are not dependent on technology, and will never change. Fortunately, our customers and our BoatU.S. family is very supportive. The Foundation simply wouldn’t exist without the extraordinary support given by boaters and by BoatU.S. members in particular. I hope that as you read through this report on our 2012 activities, you’ll see a program that you think is special enough to consider a donation to keep it running and moving forward.

OUR MISSION

The BoatU.S. Foundation for Boating Safety and Clean Water is an innovative leader promoting safe, clean and responsible boating. The Foundation provides educational outreach directly to boaters, and supports partner organizations nationwide. With millions of boaters on the water, our aim is to reduce accidents and fatalities, increase stewardship of our waterways and keep boating a safe and enjoyable pastime.

The BoatU.S. Foundation is a national 501(c)(3) nonprofit organization. Our work is primarily funded by grants and individual donations.

880 South Pickett Street, Alexandria, VA 22304 — 147 Old Solomons Island Road, Ste 513, Annapolis, MD 21401

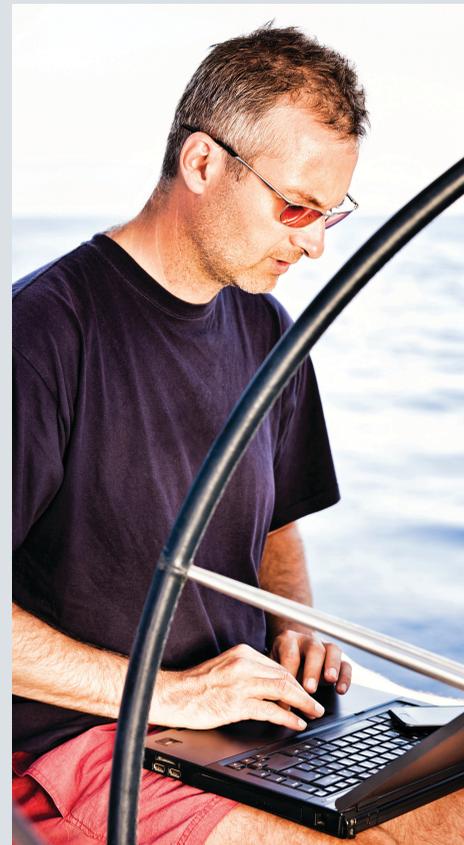




GRASSROOTS GRANTS

This year the Foundation continued offering Grants for safe and clean boating education through the Grassroots Grants Program. Eighty-seven applications were submitted for the program and the Grant Committee chose 13 to move on to the voting phase. Voting took place on the Foundation's website and Facebook page over 2 weeks. Despite fewer projects up for vote and a shortened voting time, the Foundation saw a dramatic increase in total votes over 2011. The top group from 2012 received more than 11,000 votes compared to 4,000 in 2011. There was an increase of almost 60% for 2012 over 2011 and engagement with our website and Facebook page during this period increased by more than 200%. Eight organizations were awarded grants for 2012. Projects included an event that provides boaters with the opportunity to properly dispose of their unwanted fishing and boating equipment and the creation of portable educational signage on safe boating.

BOATING SAFETY COURSE



2012 marks the sixth time the BoatU.S. Online Course was submitted to National Association of Boating Law Administrators (NASBLA) for course approval. Every three years, Foundation staff must submit the entire course to NASBLA for an evaluation on accuracy of course content, effectiveness of presentation and integrity of delivery. Each renewal cycle, there are new features and content requirements mandated by NASBLA to assure the successful delivery of online material. In November, we received word from NASBLA that our course is approved through 2015 and we can now solicit individual state approvals. This renewal cycle we have our sights set on seeking recognition in states that haven't traditionally approved our online course due to legislative barriers, exclusive contracts or technical requirements that we have not been able to accommodate in the past. We've already got our first two targets, Texas and Maryland!

"Great course, and so much more convenient than going at night for several nights. I love your company, and I am a loyal member. Keep up the great work, and see you on the water."

- Gene C.

CIGARETTE LITTER PREVENTION

The Foundation continued our long-standing partnership with Keep America Beautiful on our Cigarette Litter Prevention Program. While many assume cigarette butts are just paper that degrade quickly, they are actually mostly plastic and can be very harmful in the marine environment. This program, which started in 2009, has now helped nearly 200 marinas around the country reduce cigarette litter. The marinas in the program continue to show the highest percentage of litter reduction of any groups participating in KAB programs with over 40% average reduction reported, with nearly half of the marinas reporting litter reductions greater than 75%. This year, for the first time, we followed up with marinas from last year's efforts to see if the progress was sustainable and were pleased to see that most of the marinas continued to implement measures to prevent cigarette litter.



MONOFILAMENT RECYCLING

In November the program received its greatest honor to date: the Smithsonian has asked for a bin to include in the newly designed Oceans Hall in the Museum of Natural History which opens in the Spring of 2013.

2012 marked the final year of external grant funding for the fishing line recycling program but we ended on a high note. We hosted one bin building event, our largest ever, building 600 bins with the help of partners from National Oceanic and Atmospheric Administration (NOAA), American Sportfishing Association (ASA), National Fish and Wildlife Foundation (NFWF), and the US Fish and Wildlife Service (USFWS). Even USFWS Director Dan Ashe joined in the fun, bringing some great exposure to the program. The Foundation will continue this successful program by asking groups to build their own bins with Foundation supplied decals and signage.



SOCIAL MEDIA

Over the last several years the Foundation has worked diligently to expand our educational reach beyond our print and web presence to include social media. In 2012, the Foundation increased our social media presence by creating Twitter, Google +, Pinterest and Foursquare accounts while continuing to broaden our reach on Facebook. Through program promotions, contests and ads, the Foundation has increased our Facebook fan base by more than 35 percent. Our average monthly reach is roughly 100,000 and we receive approximately 300,000 impressions each month. The Foundation has utilized social media to increase awareness and engagement for many programs including Teens Afloat, Grassroots Grants, Foundation Findings, EPIRB rental and the Holiday Card Program.

LEARN TO SAIL COURSE

Our partnership with the Offshore Sailing School to create an online Learn to Sail course has proven to be a very exciting project. As we rapidly push towards completion, we could not be happier with the product we have created. This state-of-the-art online sailing course packs in nearly 70 videos and animations with activities designed to engage with the learner for better knowledge retention. Don't let the name fool you, this course is made of all levels of sailors, whether you are a complete novice, self-taught, or someone looking to refresh their skills – all in the comfort of your own home. As a supplement to an on-water course, there will be no better way to get started in sailing. We expect to launch the course in 2013.

“Since I founded Offshore Sailing School, a classroom session before each lesson has been the secret of our success. The ‘whys’ of sailing need to be explained, not just the ‘hows’. Thanks to BoatUS Foundation, we will have an online ‘classroom’ session that will enhance and streamline the educational process.”

- Steve Colgate

Founder, Offshore Sailing School



LIFE JACKET LOANER PROGRAM

In addition to the more than 500 lifejacket loaner sites nationwide that offer free child lifejacket loans, this year the Foundation re-established the Teens Afloat Program. This program provided discounted life jackets to local, non-profit organizations that provide on-the-water programs to teens in their communities. Qualifying organizations needed to provide safe and clean boating instruction to their students. The Foundation received 30 applications and of those, 22 organizations were selected to move on to the voting phase. Voting took place over a two week period on Facebook and the Foundation's website.

The top 10 organizations were selected to receive 500 discounted life jackets. The life jackets were provided to these organizations at a cost of \$5 each, compared to the retail price of over \$25. This Program was made possible through a donation from the National Marine Bankers Association.

In the Spring of 2012, West Marine donated more than 3,000 life jackets to the Foundation to distribute to partner organizations and the public. So far, more than 1,000 life jackets have been given to the American Canoe Association, various American Camp Association camps, several state boating agencies including Kentucky, Tennessee, Pennsylvania and Ohio and the Foundation's Facebook fans. The Foundation plans to distribute the remaining life jackets throughout 2013.



FINANCIALS

2012

EXPENSES & LOSSES

<i>Program Services</i>	
Counseling	13,061
Brochures	32,326
Learn to Sail Course	87,514
Online Course	195,638
Conferences & Seminars	87,017
EPIRB Rental	61,443
Sportsman's Forum	21,961
Federal Requirements - USCG Grant	5,751
Life Jacket Loaner	80,129
Foundation Findings	31,841
Marine Debris	79,817
Website	104,452
Grassroots Grants	81,955
General Education & Research	103,609
Other Programs	65,281
Total Program Services	\$1,051,795

Management and General	68,985
Fundraising	68,206
Total Expenses	\$1,188,986

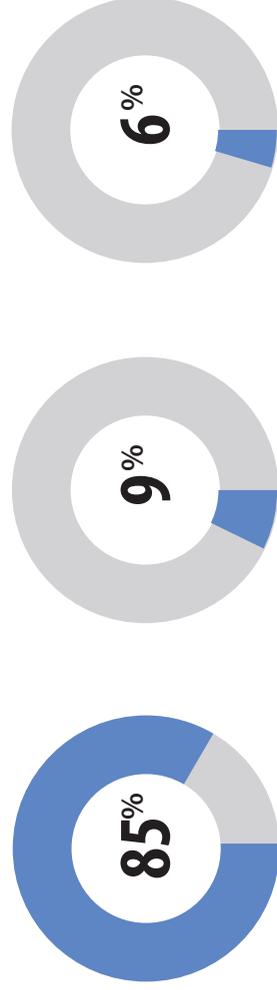
Increase in Net Assets	197,174
Net Assets at beginning of the year	1,204,707
Net Assets at the end of the year	\$1,401,881

2012

SUPPORT & REVENUES

Contributions	\$1,162,717
Federal Grants	77,440
Other Income (Royalties, Non-Federal Grants, Program income)	127,106
Investment Income	49,064
Unrealized gain (loss) on long term investments	14,543
Total Revenues and Gains:	\$1,430,870

SUPPORT & REVENUE

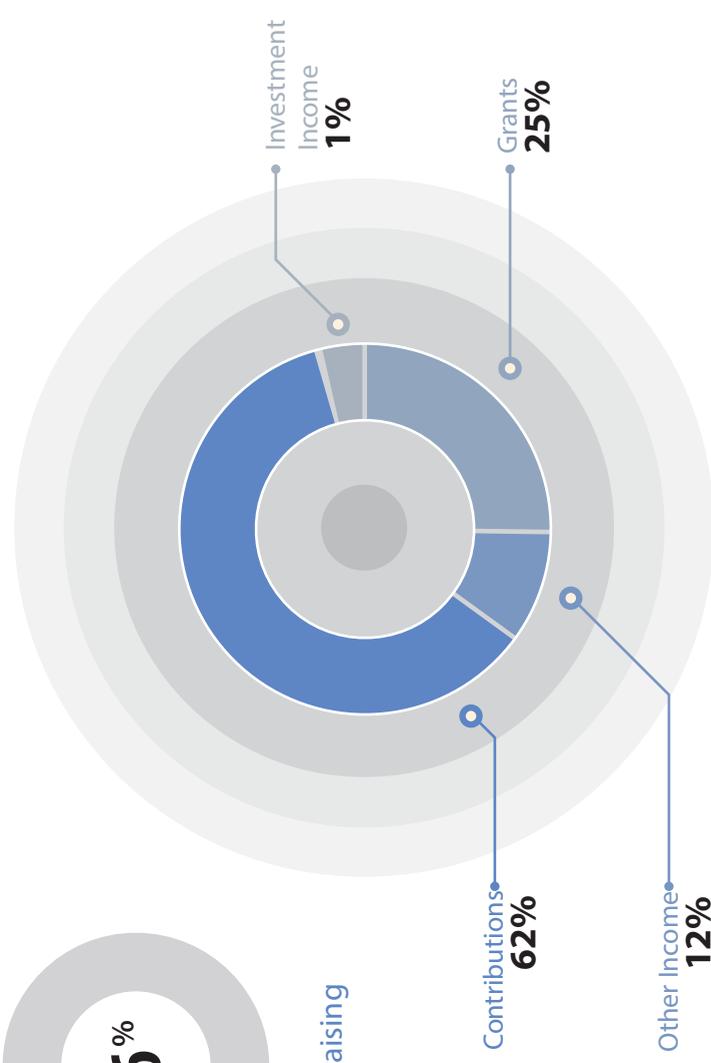


Program Services

Management & General

Fundraising

EXPENSES



Contributions
62%

Other Income
12%

Grants
25%

Investment
Income
1%

CLEANUP GUIDE

In the Summer of 2012, the Foundation released its new Guide to Waterway Cleanups. The Guide is written for boaters, marinas and towing companies to cover everything they need to know about hosting their own cleanup event. Covering what to do before, during and after an event, the guide includes information on recruiting volunteers, promoting the event, getting sponsorships and donations and it even provides materials to help educate the boating public on the hazards of marine debris. The guide also gives tips on working with the Ocean Conservancy's International Coastal Cleanup (ICC), held each year on the third Saturday in September. The guide is available as a free download on the Foundation's website and we will continue to update and promote it in the coming years.



FOUNDATION FINDINGS

Foundation Findings #52 Doggie Life Jackets and Flotation Devices

The Foundation first tested dog life jackets back in 2000 when there were only a handful of options. Of all the topics we've covered over the years, our 2000 report is consistently one of the most searched-for articles on our website. This time we added video of the dogs in action and interviewed pet owners to truly capture the new practical, reliable and affordable options that are on the market today.

To our surprise, we found a great variety available at boating stores, pet stores and some large box stores. Our focus was primarily on finding a good performing jacket that was comfortable both on land and in the water. There are no standards in life jacket design for dogs, and the Coast Guard doesn't certify them, so it's up to the owner to find a jacket suitable for their dog. Overall, we found that each manufacturer offered a life jacket model that is available in a variety of sizes, typically from small to extra large. However, some brands were better suited for certain sized dogs. Like sizing a child to a jacket, it's best if you can take your pet to the store to try one on. Let your dog get used to it, adjust it properly. As we often say with regard to life jackets for people, the best life jacket is the one you'll wear, and the same adage holds true for your pet.

OIL SPILL COURSE

Work continues on the Foundation Oil Spill Prevention and Response online training course for marina staff. This course is aimed at teaching seasonal staff how to prevent and respond to fuel and oil spills. We are working closely with BoatUS towing providers in New Jersey for content and video support while we build the course. We partnered with our subject matter expert from Washington Sea Grant, Eric Olsson, and brought him to Annapolis for a multi-day work session developing the course outline and curriculum. This course will be a core part of the Foundation's effort to assist those marinas impacted by Hurricane Sandy. As a result of the grant's funding source, each marina in New Jersey that completes the course will receive a free kit of spill response materials valued at over \$100.

INVASIVE SPECIES

Through various committee work, Foundation staff worked with USFWS on the revision of voluntary guidelines to help prevent the spread of invasive species by recreational users. We worked with a large group of stakeholders to streamline the recommendations regarding boat cleaning and disinfection when contaminated by different types of invasive species. Foundation staff ensured the recommendations were practical and effective, while placing minimal barriers to launching or leaving the water. It is the hope that these guidelines will help streamline the various protocols found in different states and clarify expectations of the boater when it comes to complying with invasive species regulations.



ANGLER OUTREACH

After 12 years of Coast Guard funding, the Angler and Hunter Safety Grants are coming to a close. However, some of the related efforts will continue on into the future. We're using relationships developed over the past few years to continue our presence in the angling community, most notably through the BoatU.S. Collegiate Bass Championship—the largest and most prestigious collegiate fishing tournament in the world. We are also starting to work with high school fishing through the Bass Federation. Hopefully these efforts will grow youth participation in boating and fishing, infusing safe and clean boating practices into anglers at a young age

ORGANIZATIONAL PARTNERSHIP AND COMMITTEE WORK

- Scholastic Anglers Association—Chair
- National Safe Boating Council—Vice Chair
- NASBLA Education Standards Panel—Vice Chair
- Recreational Boating and Fishing Foundation—Chair of youth outreach committee
- Sport Fish and Boating Partnership Council—boating sub committee
- NASBLA education committee
- NASBLA waterways management committee
- NOAA Hydrographic Services Review Panel
- MD Clean Marinas Advisory Board
- Pacific Oil Spill Prevention Education Task force
- Aquatic Nuisance Species Task Force/ recreational boating guidelines subcommittee

EPIRB/PLB RENTAL PROGRAM



In addition to our GPS-enabled EPIRBs, the Foundation now rents small personal locator beacons (PLBs). PLBs are like small EPIRBs—and our rental price is the same as what we charged for an EPIRB, \$45 a week. They use the same CO-SPAS/SARSAT satellites and send an SOS signal with integrated GPS position to summon help. However, due to its compact size, the battery capacity is less than a GPIRB making it effective for only 24 hours of continuous operation. Additionally, a PLB must be activated manually whereas the GPIRB has both an automatic and manual activation feature. PLBs make a great addition to a rented EPIRB, providing ultimate peace of mind when it comes to the boat and crew. PLBs are also suitable for small vessels like paddle craft and personal watercraft making outback voyages to remote locations or anywhere help is hard to come by. Reaching new markets—such as paddlers and hikers—was a key factor in bringing PLB's into our inventory.

“We made landfall at New Bern, NC yesterday evening, Yeah! The EPIRB provided a much needed peace of mind for all aboard. As always, thanks to BoatUS Foundation!”

- Bill W.



HOW YOU CAN HELP

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

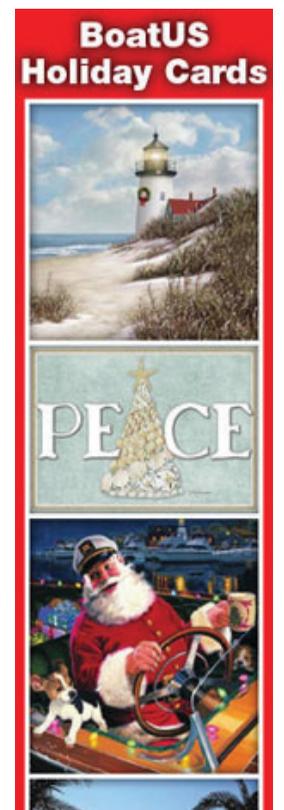
- 1.) Donate online – Donating online has never been easier. Using our secure donation website, you can make a donation in any amount and even honor a friend, remember a loved one, or commemorate a special occasion. Better yet, make it a recurring gift.
- 2.) Visit the Giving Marketplace – Through this nautical storefront you can purchase everything from nautically themed holiday and note cards, photo albums and calendars, and even mugs, t-shirts, hats and pins, customized to your liking.
- 3.) Donate your boat, car, truck or RV – You can now donate your boat or vehicle to the BoatU.S. Foundation to help promote safe and clean boating. Through a new partnership, the Foundation can accept donations from almost anywhere in the country.

FUNDRAISING

BoatU.S. Member contributions at renewal time continue to be the lifeblood of the funding for our programs. When asked to contribute, more than 50% of BoatU.S. members donate.

Our Boat Donation program continues to be a welcome alternative to traditional giving, allowing you to donate not just boats, but also cars, trucks, and RVs. In 2012, we received 22 donated boats and we're expecting to have an even larger number of donations in 2013.

Donations aren't the only way to support the work of the BoatU.S. Foundation though. Purchasing nautical-themed holiday cards or lighthouse checks are just a few of the ways that you can show your love of all things boating while also knowing that you're helping to support our programs.





BOARD OF TRUSTEES

BILL OAKERSON, Chair
President and CEO of Boat America
Corporation

RICHARD SCHWARTZ, Vice Chair
Founder of BoatU.S.

JIM ELLIS, Trustee
Past President of BoatU.S.

BERNADETTE BERNON, Trustee
Past Editor of Cruising World Magazine

RONALD PETERSON, Trustee
Retired VP, RIS Paper Co.

RUTH WOOD, Trustee
Past President, BoatU.S. Foundation

RICHARD MORELAND, Trustee
VP, T. Rowe Price Associates
Chair, Audit & Finance Committee

ROBERT PUTNAM, Trustee
CEO, Putnam-Ross Consulting
Vice Chair, Audit & Finance Committee

CHRIS EDMONSTON,
President, BoatU.S. Foundation

880 South Pickett Street,
Alexandria, VA 22304

147 Old Solomons Island Road,
Ste 513, Annapolis, MD 21401