

ANNUAL REPORT

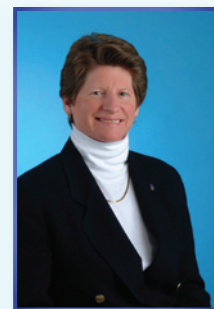
2005



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 the 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, accessible, and enjoyable pastime.

I'm amazed each year by the number of lives we affect with our boating safety and environmental programs. Sportsmen, children, new boaters, safety and environmental professionals, marina operators, fuel dock attendants, volunteers and many others across the country are impacted by our projects and services. Some of our programs like the Life Jacket Loaner Program for Kids and our Free Online Safety Course are boating staples. Boaters know they can count on us to be there through these programs and more. Special projects like the Crew Overboard Symposium and the Life Jacket Design Competition broadened our horizons and gave us new perspective on some age-old challenges. We are always striving to find new ways to reach out and touch boater's lives. We are passionate about what we do and your support helps us do the things we do best - educate boaters to be smarter, cleaner and safer on our nation's waterways.



N. Ruth Wood

N. Ruth Wood
President



The Life Jacket Loaner program provides children's life jackets in three different sizes (above) A volunteer is being "rescued" during the Crew Overboard Symposium (right)

Life Jacket Loaner Program

The Loaner program continued to expand in 2005, adding an additional 84 sites - bringing the total number of sites to over 400, with locations in all 50 states! The program is designed to lend an appropriately-sized child's life jacket to boaters who need one for a day or two of use. This program, partially funded by West Marine for 2005, has been in existence since 1997.

Crew Overboard Symposium

In August of 2005, Foundation staff participated in the Crew Overboard Symposium in Sausalito, Calif. As a co-sponsor, we partnered with several organizations to test new equipment and techniques used to recover a person in the water. Over four days, 100 volunteers observed, tracked and photographed "victims" being recovered from the cold waters of San Francisco Bay. As reported in Foundation Findings #41, the type of recovery that is performed and the success rate is highly dependent on the type of boat, the equipment available and practicing the technique that works best.



EPIRB Rentals

In a mayday situation, an EPIRB will notify search and rescue authorities of a boat's location. Since its inception in 1997, the program has rented EPIRBs over 4,000 times to recreational boaters. In 2005, the program served a record 620 boaters and assisted in the recovery of 15 people on four boats in distress. Two of those activation occurred in the Regatta Del Sol race from St. Petersburg FL to Isla Mujeres, Mexico. The crew was battered by stormy weather forcing them to abandon the race and activate emergency rescue beacons. The captain of the S/V Maltese Kross, a CSY 37 cutter, became gravely ill after experiencing the stormy seas. Seasick, dehydrated, hallucinating and suffering heart problems, the crew decided to abort the race. After the BoatU.S. rental EPIRB was activated, a U.S. Coast Guard helicopter was sent to the scene and safely removed the sick sailor while the rest of the crew returned to port. This life-saving program is available to the public but is heavily subsidized by the Foundation. Reservations can be made online at www.boatus.com/foundation/epirb, or by calling 1-888-66-EPIRB



Innovations in Life Jacket Design Competition

The number one reason that boaters don't wear a life jacket is that they are not comfortable. But life jackets save lives. So we put out a call for new life jacket designs to help raise awareness about the importance of wearing your life jacket and to spur ideas for building a better one. We received 182 submissions for our Life Jacket Design Competition. The winner, Adam Malcolm, was presented an award during ceremonies at the Miami Boat Show on February 16, 2006. Malcolm, a graduate student at the University of Virginia designed a slender belt-packed inflatable life jacket that requires no secondary action like current belt-pack inflatable designs. The five honorable mentions ranged in style from t-shirts made with inflatable fabric or built-in floatation material to an inflatable float worn on the wrist.

Courseline

Find boating safety courses fast with the Courseline Online. Visit our Web site 24 hours a day, seven days a week, to find a variety of classroom-based courses in your area. In 2005, over 50,000 requests for courses were answered.

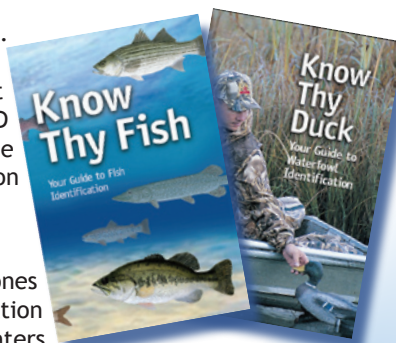
Online Boating Safety Course

2005 welcomed just over 45,000 new users to our Internet boating safety course, and the Foundation added new Flash animations that depict a number of common on-the-water boating scenarios. The NASBLA-approved course is provided free of charge and provides users with an enjoyable way to test their boating knowledge. Successful completion of the course may also qualify the boater for insurance discounts.

Working With America's Sportsmen

The Foundation continued to work with anglers and hunters who use boats in the pursuit of their sport. This year, the Foundation enlisted well known anglers Bill Dance and Shaw Grigsby to promote their

Fish ID booklet, and hunters Wade Bourne, Harold Knight and David Hale to promote the Foundation's Wildlife ID booklet. These two booklets are designed to provide useful boating safety tips as well as identification information for fish and fowl.



Free Brochures for Boaters

Groups from all over the country - including ones from your area - rely on the BoatU.S. Foundation for free brochures to help them educate boaters on topics such as cold water safety, life jackets, and proper boat fueling. In fact, an average of 80,000 brochures are mailed out every month. It's just one more way the Foundation works with local boaters on a grassroots level.

One of the Foundation's goals is to increase life-jacket wear among hunters and anglers.

Promoting Clean Fueling

The "Help Stop the Drops" Clean fueling Campaign encourages boaters to fuel up cleanly and safely, and aims to educate boaters and marinas about preventing small fuel spills. In 2005, the Foundation worked with 50 marinas to test a variety of spill prevention products to learn what really works. Additionally, the Foundation launched an online survey to learn more about boaters' fueling habits. After hearing from over 5,000 boaters and getting additional feedback from marina owners and operators nationwide, the Foundation developed a suite of educational materials for fuel docks and boaters and distributed packages to over 650 marinas with fuel docks in 2006. These Help Stop the Drops kits included signage, clean fueling fact sheets and "No Spill" fuel vent overflow collection device that fuel docks can loan to boaters while filling their tanks. We also launched a comprehensive clean fueling website, www.helpstopthedrops.com, where boaters can find information on a range of topics from how boat fuel systems work to spill prevention.

Girl Scout Junior Troop 462 of Collinsville, Va helps clean up the shores of Philpott Lake (below) Bay Foundation of Morro Bay in California creates signs to help boaters find pump-out stations (right) A conscientious boater demonstrates clean fueling practices (far right)



Grassroots Grants

Competition for \$80,000 in BoatU.S.

Foundation grassroots grant funding was tougher than ever in 2005, with a record number of grant applications submitted from local boating and environmental groups. With \$40,000 available for both the Boating Safety and the Clean Water grant programs, hundreds of applications came in. The Clean Water Grants program selected 21 groups from 17 different states and the Boating Safety Grants program selected 23 groups from 22 different states. Armed with funding of up to \$4,000 each, these groups launched projects ranging from identifying and preventing the spread of aquatic nuisance species, to promoting life jacket wear and educating boaters at gas docks on safe fueling practices.

Know Your DSC Radio

In 2005 the Coast Guard awarded the Foundation a grant to develop an interactive training aid designed to teach boaters three things: The need for marine VHF radios, as well as how they work; what an MMSI number is and how to use it; and how the new Coast Guard Rescue 21 search and rescue program works. The Foundation worked with Chuck Husick, a regular BoatU.S. Magazine contributor and BoatU.S. Advisory Council member, to develop the content. The tutorial is available free on the Internet at www.boatus.com/mmsi.



HOW YOU CAN HELP

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

Donate!

Make a tax-deductible donation! Send your gift directly or, if you're a member of BoatU.S., designate a gift to the Foundation when 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 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 you'll be supporting the Foundation. To order, visit our web-site, or look for "The Check Gallery" insert in your Sunday paper!



BoatU.S. Credit Card

Sign up for a MBNA BoatU.S. credit card and get a 3% credit rebate on BoatU.S. 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, A.G. Edwards & Sons, Inc. at 1-800-247-8602 or at Pamela.Misener@agedwards.com.

To learn more, visit www.boatus.com/foundation/donate.htm

FINANCIALS

Statement of Activities and Change of Net Assets

YEAR ENDED DECEMBER 31, 2005

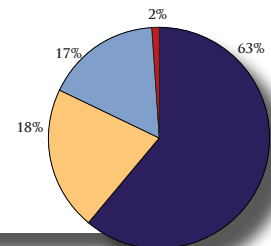
SUPPORT AND REVENUES	2005	2004
Contributions	\$964,220	\$950,602
Federal Grants	262,699	227,799
Other Income (Royalties, in-kind contributions, program income)	281,313	289,658
Investment Income	30,514	9,113
Realized gain (loss) on sale of investments	-	(2,255)
Unrealized gain (loss) on long term investments	(813)	35,414
Total unrestricted revenues and gains:	\$1,537,933	\$1,510,331

EXPENSES AND LOSSES

Program Services	2005	2004
Courseline	\$72,880	\$70,325
Reference Resource Center	73,419	59,549
Brochures and Publications	168,832	129,825
Online Course	89,734	83,153
Boat Shows and Seminars	72,167	65,206
Foundation Findings	51,007	95,320
Website	40,494	42,414
Life Jacket Loaner Program for Kids	54,683	53,339
EPIRB Rental	117,974	106,725
Sportsman's Forum	239,531	221,048
Clean Water Grants	63,429	75,256
Boating Safety Grants	86,048	84,276
General Education	29,141	59,641
Fish Tag and Release	-	1,305
Clean Fueling Programs	74,292	57,353
Online Course Animation	-	3,331
Clean Marina Program	21,188	18,213
OMC Grant	8,195	5,003
Digital Select Calling Grant	33,229	7,583
Life Jacket Design Contest	9,465	-
Crew Overboard	18,155	-
Other Programs	20,097	-
Total Program Services	\$1,343,960	\$1,238,865

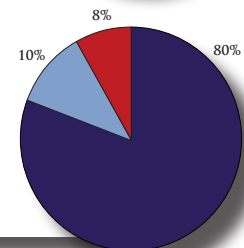
SUPPORT & REVENUES

Contributions
Other Income
Grants
Investment Income



EXPENSES

Program Services
Management & General
Fundraising



Support Services

	2005	2004
Management and General	166,148	185,364
Fundraising	119,978	122,373
Total Expenses	\$1,630,086	\$1,546,602

Increase (Decrease) in Net Assets (92,153) (36,271)

Net Assets at beginning of the year 714,802 704,400
Net Assets at the end of the year \$622,649 \$714,802

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



www.boatus.com/foundation
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BoatU.S. Foundation

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