

Public Support and Revenues

Statement of support, revenue and expenses for the year ending December 31, 2005

PUBLIC SUPPORT

Memberships	\$113,952
Donations	1,543,101*
Workshops/Events	23,217
Grants	3,266,459**
Investment income	48,476
Gain or loss on disposal of fixed assets	(2,460)
Miscellaneous	15,931

TOTAL PUBLIC SUPPORT and REVENUES \$5,008,676

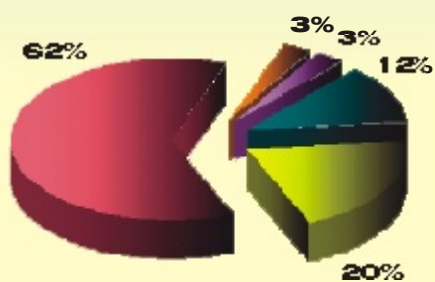
EXPENSES

Administration	\$57,820
Development	53,171
Coastkeepers	237,033
Program	396,305
Restoration/Education	1,250,492

TOTAL EXPENSES \$1,994,821

*Includes North River Farms conservation easement \$1,430,000
**Includes White Oak River purchase \$1,493,566

HOW WE SPENT YOUR DONATIONS



ADMINISTRATION	3%
DEVELOPMENT	3%
COASTKEEPERS	12%
PROGRAM	20%
RESTORATION/EDUCATION	62%

The North Carolina Coastal Federation's 2005 audit was prepared by Carroll, Gainey & Hamlin, CPAs, PC. To receive a copy of our full audit, please contact NCCF.

We extend our deep appreciation to all the individuals, businesses, groups and foundations who made 2005 productive for our coast. The following donated to the Coastal Federation at recognition levels:

INDIVIDUALS

Jeff and Roz Abrams; John L. and Christine D. Almeida; Carrie Banwell; Richard Bierly; Scott Bradley; Ray and Nan Burby; Rachael and Joel Carlyle; Bethany E. Chaney; Jim and Cheryl Council; Elisabeth and Vance Creech; Susan and Robert Crenshaw; Lee H. Dunn; Laura Edwards; Susan Edwards; Darrin Ficke; Ernie and Lynne Foster; James Barrie, Ellen and Morty Gaskill; Dr. and Mrs. Charlie Godwin; Adelaide Gomer; William C. Hall; Bobbi and Matt Hapgood; Pricey Taylor Harrison; Olivia Britton Holding; Kathryn B. Howd; Minnie Hunt; Margaret Husni; Mr. and Mrs. Seby B. Jones, Jr.; Dr. and Mrs. William Kelly; Mr. and Mrs. John J. Lambert; Mr. and Mrs. Edward E. Lea, Jr.; Dr. and Mrs. Lanneau D. Lide, Jr.; Anonymous; Susan Lupton and Bob Schall; Dr. and Mrs. Charles Lynch, Jr.; Jackie and Omar Mardan; Perry A. and Elisabeth T. Mathis; Edmund "Beau" McCaffray; Mr. and Mrs. Ronald J. McCord; Dot and Larry McGee; Bob Parr; Mr. and Mrs. Billy Olive; Adele F. Paynter; David and Cary Paynter; Stuart M. Paynter; Ely Perry, III; Meg and Bill Rawls, Jr.; Jim and Chris Rice; Ann Page Richardson; John Runkle; Anonymous; Richard Scully and Lee Kimball; Julie Shambaugh and Todd Miller; Melvin and Tillie Shepard; Marc Shown; Ann and Bland Simpson; John R. Spruill; Fred and Alice Stanback, Jr.; Mark Stanback and Nancy Popkin; Sally Steele and Lee Taylor; Craig and Cathy Steffee; Ginger and Ralph Webster; Dean Weber; Franklin and Carolyn West; Doug Wakeman; L. Polk Williams; and Steve Wolfe.

BUSINESSES AND GROUPS

Additions Plus; Albemarle Fisheries Association, Beaufort Inn; Bikes-R-In; Cardini Appraisal Service; Carteret County Wildlife Club; Carteret County Crossroads; CoFish International; Connecting Point Computer Center; Earth Share of NC; Emerald Isle Realty; Grady White Boats, Inc.; First Citizens Bank; Hunter Industries Inc.; Middle Sound Lookout; Neuse River Foundation; New River Nets; Ocracoke Preservation; Outer Island Accents; PenderWatch & Conservancy, Restoration Systems, LLC; Restore America's Estuaries; River Dunes Corporation; Southeastern NC Waterman's Association, Sunset Beach Taxpayers Association; Surf or Sound Realty; The Albatross Fleet; The Gypsy Corporation; and Trout Unlimited, Northwestern.

FOUNDATIONS

Albemarle Pamlico National Estuarine Program; Carlson Family Foundation; Cemala Foundation, Inc.; Charitable Gift Fund; Community Foundation of Greater Greensboro; Ella Ann L & Frank B. Holding Foundation; Energy Foundation; Environmental Education Fund; EPA; Environmental Enhancement Program; FishAmerica Foundation; Grace Jones Richardson Trust; Julian Price Family Foundation; Mary Flagler Cary Charitable Trust; Mary Norris Preyer Fund; Maxwell Lide Stanback Foundation, Inc.; Mazaika Family Foundation, Inc.; Moore Charitable Foundation; National Fish and Wildlife Foundation; NOAA - Community Restoration Program; North Carolina Clean Water Management Trust Fund; North Carolina Community Foundation; Seby B. Jones Family Foundation; The Prentice Foundation, Inc.; The Winston Salem Foundation; US Fish and Wildlife Service; and Z. Smith Reynolds Foundation.

2005 NCCF BOARD

NCCF BOARD OF DIRECTORS

PRESIDENT	Melvin Shepard, Jr. Sneads Ferry
VICE-PRESIDENT	Dick Bierly Morehead City
TREASURER	Olivia Holding Raleigh
SECRETARY	Meg Rawls Morehead City

BOARD MEMBERS

Dr. Raymond Burby, Chapel Hill; Bill Ducker, Sunset Beach; Susan Edwards, Greensboro; Emily Farmer, Emerald Isle; Ernie Foster, Hatteras; James Barrie Gaskill, Ocracoke; Bob Hall, Durham; Sarah Hamilton, Morehead City; Minnie Hunt, Sunset Beach; Jackie Mardan, Wilmington; Mary Hunter Martin, Raleigh; Randy Mason, Emerald Isle; Edmund "Beau" McCaffray, Wilmington; Dot McGee, Raleigh; David Paynter, Wilmington; Lewis Piner, Wendell; John Preyer, Raleigh; John Runkle, Chapel Hill; Bland Simpson, Chapel Hill; Jack Spruill, Hampstead; Doug Wakeman, Pittsboro; Keith Walker, Beaufort; Ginger Webster, Corolla; Stephen Wolfe, Jamesville.

DIRECTORS EMERITUS

Ann Carter, Bob Daland, Kathryn Howd

2005 NCCF STAFF

EXECUTIVE DIRECTOR	Todd Miller
OFFICE MANAGER	Sheila Brodnick
VOLUNTEER MANAGER	Rachael Carlyle
CAPE HATTERAS COASTKEEPER	Jan DeBlieu
HABITAT RESTORATION SPECIALIST	Sarah King
PROGRAM MANAGER	Lauren Kolodij
BUSINESS MANAGER	Jo Ann Marsh
EDUCATION COORDINATOR	Sarah Phillips
OFFICE ASSISTANT	Rose Rundel
SENIOR STAFF SCIENTIST	Tracy Skrabal
DEVELOPMENT DIRECTOR	Sally Steele
PROGRAM ANALYST	Jim Stephenson
CAPE LOOKOUT COASTKEEPER	Frank Tursi
CAPE FEAR COASTKEEPER	Ted Wilgis



The North Carolina Coastal Federation is the state's only nonprofit organization working coast wide to protect and restore the North Carolina Coast. The Coastal Federation's mission is: *To provide citizens and groups with the assistance needed to take an active role in the stewardship of North Carolina's coastal water quality and natural resources.*

NCCF Headquarters

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The NC Coastal Federation headquarters is located at 3609 Highway 24 in Ocean, NC between Swansboro and Morehead City. Our offices, nature library and gift shop are open Monday through Friday 8:30 am to 5 pm. Coastal Federation field offices are located in Wilmington and Manteo.



LAYOUT/DESIGN: Anita Lancaster, Jacksonville, NC

Protecting & Restoring North Carolina's Coast

NORTH CAROLINA COASTAL FEDERATION

2005 ANNUAL REPORT

Exceptions to the Rule

TODD MILLER, EXECUTIVE DIRECTOR

Putting together this annual report reminded me of something the late David Brower said about environmental protection. "All defeats are permanent, and all victories temporary." Brower's wisdom still is true, but in 2005 the North Carolina Coastal Federation proved there are always exceptions to any rule. As you'll read, important coastal habitats were permanently protected and restored, and our advocacy and education work is having lasting impacts.

For starters, we moved the earth at North River Farms – enough to make its fields look like a major shopping mall was being built. What has emerged are several hundred acres of restored wetlands that are wonderful productive habitat for fish and wildlife. Working with the state Division of Marine Fisheries and volunteers, the Federation put tons of oyster shells back into the sounds and creeks. This shell built more than four acres of reefs that provide critical habitat for trout, spot, flounder, blue crabs and dozens of other fish species.

A diverse coalition of coastal interests joined with us to convince the NC General Assembly to double the funding for oyster restoration programs and the building of three oyster hatcheries at the NC Aquariums. The Federation was also able to permanently preserve nearly 1,500 acres of land by obtaining state and federal grants. Plans were made to transfer the ownership of three properties protected by the Federation to the NC Wildlife Resources Commission as well as the NC Division of State Parks. Public access for outdoor recreation will be vastly and permanently improved once this happens.

Along with these same two agencies, we secured funding to restore nearly 1,000 acres of long leaf pines and remove a paved parking lot to solve a stormwater runoff problem. These projects will restore natural habitat and water quality that's been degraded for decades. Working with us were hundreds of school children who helped plant salt marsh and trees, restore oyster reefs, and monitor the success of restoration projects. Students learned by restoring – and came away with a lasting appreciation for the productivity and fragility of the coastal ecosystem.

In 2005, we revisited some of our most problematic environmental concerns as well. I had a strong sense of "déjà vu" as we pulled out old files and looked at amazement at how bad public policy decisions were previously made. For example, polluted stormwater runoff is a persistent issue that just doesn't go away. Back in the 1980s, the Federation and fishermen pressured the State to recognize that stormwater was polluting the coast. It reviewed the available science, technology, and legal requirements, and proposed a set of stormwater control rules that would have protected water quality. These draft rules were then watered down and made ineffective as a result of intense political opposition from developers.

Since then, the Federation has warned that prime coastal waters are being treated like an open storm sewer – and that's why there's been a cancer like growth of pollution creeping out into our tidal creeks, sounds and even the ocean. In 2005, the State declared publicly that its coastal stormwater safeguards don't work, and new stormwater programs and rules are being proposed. This time around we are pushing for safeguards that will protect water quality, and not ones that are simply politically expedient.

Other serious coastal issues and how best to resolve them were also the focus of attention. Coastal Area Management Act land use plans, offshore oil exploration and development, sewage treatment, adequacy of regulatory enforcement, and shoreline stabilization practices are all issues that are once again on the front burner primed for new policy choices.

The Federation's board and staff are seasoned when it comes to these matters, and we provide some real historical perspectives that can help avoid repeating past mistakes. There's always concern that when you attempt to reform environmental programs you'll end up making things even worse. So far that's not the case, but it could happen and we're guarding against it. As you read, the scope and effectiveness of our programs should impress you. We're working the entire coast, in the halls of government in Raleigh, and even nationally through our effective coalition of groups called Restore America's Estuaries.

None of these accomplishments would happen without the strong support, direct and lasting participation of our members. Thank you for making it possible for us to do our jobs.



2005 KEY ACTIVITIES AND ACCOMPLISHMENTS



- Working with NCCF as its contractor, Brunswick County received a US EPA watershed grant and appointed eight county citizens to serve on a Lockwood Folly Watershed Roundtable to develop recommendations for protecting water quality in the county's coastal waters. This two year project got off to a strong start with the group meeting with state and local officials, touring the river, and learning more about water quality problems and what can be done to avoid and correct them through better watershed management practices. A final set of recommendations will be developed in 2006.

- In partnership with the NC Shellfish Sanitation Branch, NC Department of Transportation, and US EPA, NCCF helped develop improved methods for examining the watersheds of shellfish growing waters to identify existing and potential sources of pollution. This project integrates the programs of various water quality agencies to assist with monitoring and enforcement of environmental standards.

- The 2005 Oyster Summit and Legislative Reception were held in February in Raleigh. The Summit had 125 invited participants and more than 80 legislators, aides and guests attended the legislative reception.

- A legislative campaign, led by NCCF, resulted in the largest increase in funding for oyster restoration efforts in 30 years. The state legislature appropriated \$575,000 for expansion of the Oyster Rehabilitation Program and \$600,000 for oyster hatcheries in both 2005-06 and 2006-07. NCCF has been appointed to serve on the Oyster Hatchery Planning Team.

- In partnership with NC Environmental Defense and the Southern Alliance for Clean Energy, NCCF developed a successful strategy that resulted in the passage of the Global Warming/Climate Change bill. The legislation establishes a state commission to explore climate change impacts and opportunities as they affect North Carolina and make recommendations. NCCF has a seat on the commission.

- NCCF joined with a large coalition of organizations to gain a \$100 million appropriation for the NC Clean Water Management Trust Fund.

- NCCF organized citizen input to oppose the issuance of a flawed general stormwater permit for the coastal zone. Fifty-seven citizens attended a public hearing at which 23 spoke. As a result of this opposition, the NC Division of Water Quality (DWQ) did not issue the general permit for coastal counties. DWQ also placed a moratorium on individual stormwater permits and conducted an evaluation of the effectiveness of its coastal stormwater program. DWQ's evaluation demonstrated the program has failed to protect coastal water quality, setting the stage for regulatory reforms in 2006.

- Volunteers worked with NCCF staff to spread and seed more than 11,000 bushels of shell to restore four acres of oyster reef habitat in Stump Sound's Alligator Bay. This reef was created in partnership with the NC Division of Marine Fisheries.

- The second annual Native Plant Sale was attended by at least 300 individuals. The April event included workshops and exhibits that encourage the use of native plants in natural landscapes.

A Good Year For OYSTERS

A 1992 report by the NC Blue Ribbon Advisory Council on Oysters stated, "The health of North Carolina's oyster population is a good indicator of the overall health of our estuaries, and all prudent measures should be taken to ensure a viable oyster resource." Oysters are incredible filters, once able to filter entire estuaries in a matter of days. They also provide habitat for an enormous range of other estuarine creatures including snails, shrimp, crab and fish. And of course, they're great to eat.

If the Federation has its way, there will be oysters aplenty in years to come. We have our work cut out for us. Since the early 1900's, oyster harvests have declined by an estimated 90% and the population has plummeted. Oysters have fallen prey to over-harvesting, habitat destruction, pollution and disease.

But Federation Executive Director Todd Miller is hopeful, "Bring back vibrant populations of native oysters and we'll have a healthy coastal environment and economy. Folks now understand these connections more than ever, and we're making significant strides restoring oysters as a result."

The Federation continued to lead implementation of the NC Oyster Restoration and Protection Plan. Created in 2003 with input from representatives of twenty-one state and federal agencies, universities, conservation organizations, legislators and oyster growers and harvesters, the plan identifies the steps needed to bring back native oysters to the state. In 2005 the Federation hosted a third gathering of 125 scientists, researchers, shell fishermen and decision-makers to evaluate progress resulting from the plan and update it based upon current conditions and opportunities. The Federation also led a successful effort to encourage the Governor and legislators to increase funding for oyster restoration and oyster hatcheries.

But the Federation did more than just talk about oysters. Staff members and 200 Federation volunteers worked with the NC Division of Marine Fisheries to create almost four acres of new oyster habitat in Stump Sound, bringing the total to almost 12 acres of oyster habitat created by NCCF. This was in addition to five shoreline, wetland and water quality restoration projects that were implemented to protect priority shellfish waters. At North River Farms, in the headwaters of some of the most productive oyster growing waters in the state, 206 acres of wetlands were restored.

Ted Wilgis, Federation biologist and educator who is coordinating the oyster plan considers it a bold and successful effort. "We've identified the work that must be done. We have a dynamic coalition of folks to do the work. We've implemented successful habitat restoration and water quality protection initiatives; and public awareness is growing. Now we must escalate the momentum with a goal of reversing shellfish waters closures and doubling restoration efforts statewide over the next few years."

- The Morris Landing Living Shoreline demonstration project in Onslow County was completed, which included the construction of a 575-foot stone and oyster-bag sill adjacent to Stump Sound, the planting of nearly 0.5 acres of wetland grasses, and the construction of a public pier and educational platform.

- A new public education program was initiated in partnership with the Cape Lookout National Seashore and Carteret County Parks and Recreation Department. NCCF staff, summer interns, and volunteers conducted summer field trips for 367 visitors to the Cape. Programs included a barrier island ecology program and an educational fishing program.

- The Coastal Cohorts returned to Carteret County for a three-week summer run of *King Mackerel & The Blues Are Running*. More than 2,000 guests enjoyed the musical that highlights songs and stories of the Carolina Coast.

- The Albemarle-Pamlico National Estuary Program (APNEP) funded an oyster restoration project at Hoop Pole Creek. An education video was produced featuring students from Cape Lookout Marine Science High School who were involved in the project.

- 206 acres of North River Farms were restored to forested wetlands and planted with 30,000 wetland trees by students and volunteers in 2005. The restoration of 111 additional acres from farmland to wetland began in August. NCCF helped secure a conservation easement on 1435 acres of the farm adjacent to NCCF's projects; this easement provides for the conservation of this land in perpetuity.

- The 2005 NC Center for Nonprofit Sector Stewardship Award was presented to NCCF for "its history of forging effective coalitions between environmental, governmental and business interests; management of its growth; and collaborative efforts with other non-profits."

- Nine schools participated in the Wetland Nursery Program. 250 students and teachers planted 14,000 Spartina plants, restoring 1.3 acres of shoreline in April and May, and two additional wetland nurseries were constructed at Carteret County schools in November.

- NCCF received a grant from the NC Clean Water Management Trust Fund to buy much of Jones Island in the lower White Oak River in Onslow County. The island was for sale, and development would have increased bacterial contamination in the river.

- The NC Clean Water Management Trust Fund provided a grant to create a comprehensive plan to protect and restore water quality in Currituck County through land conservation and restoration.

- The COASTKEEPERS® trained more than 60 volunteers, and their enforcement actions led to more than 30 permit violation notices. COASTKEEPERS® and volunteers also began monitoring 15 storm drains along the coast for bacteria contamination. This monitoring program will highlight the effects of stormwater on shellfish waters.

- About 600 volunteers donated more than 11,000 hours to the NC Coastal Federation to help with tasks ranging from oyster habitat creation to management of the Nature Library.



PHOTO COURTESY CHESAPEAKE BAY FOUNDATION

