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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

B Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
CHESAPEAKE BAY FOUNDATION INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
6 HERNDON AVENUE

City or town, state or country, and ZIP + 4
ANNAPOLIS, MD 214034503

D Employer identification number
52-6065757

E Telephone number
(410) 268-8816

G Gross receipts $ 52,951,987

F Name and address of principal officer
William C Baker
6 HERNDON AVENUE
ANNAPOLIS,MD 214034503

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW CBF ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1966

M State of legal domicile MD

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
The Chesapeake Bay Foundation's (CBF) mission is to Save the Bay See Schedule O

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	35
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	34
5	Total number of employees (Part V, line 2a)	5	229
6	Total number of volunteers (estimate if necessary)	6	19,107
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	194,774
b	Net unrelated business taxable income from Form 990-T, line 34	7b	112,815

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	18,249,743	27,715,053
	9	Program service revenue (Part VIII, line 2g)	1,389,777	1,319,368
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-2,947,363	-620,816
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	334,886	310,116
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	17,027,043	28,723,721
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	456,130	9,580,833
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	12,616,990	12,396,876
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	136,326	138,596
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶2,783,957		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	9,445,699	9,510,025
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	22,655,145	31,626,330
	19	Revenue less expenses Subtract line 18 from line 12	-5,628,102	-2,902,609
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	76,501,658	82,902,663
	21	Total liabilities (Part X, line 26)	11,949,110	17,235,718
	22	Net assets or fund balances Subtract line 21 from line 20	64,552,548	65,666,945

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

▶ ****** | 2011-03-31
Signature of officer | Date

▶ WILLIAM C BAKER President
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ MICHAEL A FREEDMAN CPA | Date | Check if self-employed ▶ ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ GELMAN ROSENBERG & FREEDMAN
4550 MONTGOMERY AVE SUITE 650 NORTH
BETHESDA, MD 208142930

EIN ▶

Phone no ▶ (301) 951-9090

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

The Chesapeake Bay Foundation's (CBF) mission, simply stated, is to Save the Bay We define that as a Bay with a health index of 70 (out of 100) At 70, the Bay's waters will be clear, thanks largely to a dramatic reduction in the amount of pollution entering the system The water will have oxygen levels sufficient to support living resources in all parts of the Bay, and it will be largely free of toxic contamination Founded in 1967, CBF is the largest regional conservation organization dedicated solely to saving a national treasure-the Chesapeake Bay and its rivers and streams With headquarters in Annapolis, MD, offices in MD, VA, PA & DC, and educational centers and programs across the region, CBF works throughout the 64,000 square mile Chesapeake watershed to build an informed citizenry, advance pollution reduction, and encourage enforcement of environmental law CBF is supported by more than 200,000 members and e-subscribers and has a staff of 170 full-time employees

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 5,930,819 including grants of $ 477,130) (Revenue $ 1,031,464)

Environmental EducationEnvironmental EducationPrograms for Students and Teachers CBF operated 15 education centers in Pennsylvania, Maryland, Virginia, and the District of Columbia CBF's Education Program provided outdoor, hands-on learning experiences for approximately 30,000 students and teachers in FY 2010 These experiences extended from the shores of the Chesapeake Bay to Virginia's Shenandoah Valley, from rural Pennsylvania to the Virginia Capes CBF's world renowned environmental education program is the largest of its kind in the country Additionally, CBF's Chesapeake Classrooms Program for educators trained 410 teachers to utilize schoolyards and natural areas to meet local educational standards and provided in-depth watershed knowledge during the 2009-2010 school year CBF staff designed and led 28, five-day, summer immersion courses for these 410 teachers from public, private, and parochial schools across the watershed CBF also led four leadership courses for school administrators from Virginia and Maryland The Principals Environmental Leadership Program brings principals and CBF environmental educators together to discuss ways to further environmental education and improve academic achievement in schools Discussions on the latest topics in environmental education and educational legislation interspersed with hands-on experiences provide principals with a real sense of what a rich resource the Chesapeake Bay can be as a context for learning environmental literacy and stewardship on their school grounds and within the local community During FY 2010, CBF's Student Leadership Program led four extended summer courses for middle-and high-school students from across the watershed Participants were selected based on their leadership potential and interest in environmental issues CBF's online Student Action Network provided a forum to build upon these leadership experiences CBF continued to lead the No Child Left Inside Coalition, a national coalition of over 1,800 business, health, youth, faith, recreational, environmental, and educational groups representing over 50 million Americans The Coalition was formed in 2007 to ensure the federal Elementary and Secondary Education Act, when reauthorized, would promote environmental education CBF provided further support to educators by distributing a quarterly e-newsletter, the "Watershed Voice," to over 5,000 subscribers

4b (Code) (Expenses $ 18,720,701 including grants of $ 9,133,703) (Revenue $ 287,904)

Environmental Protection and Restoration (EPR) Environmental Protection and Restoration (EPR)Federal LevelThis year, CBF advocated for the Congressional passage of the Chesapeake Clean Water and Ecosystem Restoration Act The proposed Act follows up on earlier successes in Bay policy, including President Obama's Executive Order, settlement of our lawsuit against EPA, and near-finalization of work on the Bay-wide Total Maximum Daily Load (TMDL) for nitrogen, phosphorus, and sediment The Chesapeake Clean Water and Ecosystem Restoration Act would take further steps to ensure that pollution limits are met by 2025, and authorize additional federal resources to help affected parties succeed in meeting their requirements CBF also succeeded in drawing attention to the nitrogen, phosphorus, and sediment pollution challenges posed by runoff from federally assisted highways Several members of the House of Representatives asked for language in the Surface Transportation Act requiring pollution limitation on federally assisted roads, and CBF testimony to the US Senate resulted in introduction of S 3602, the Safe Treatment of Polluted Stormwater Runoff Act of 2010 State LevelPennsylvania CBF and its allies convinced the 2009 General Assembly to approve a second round of state funding for its Resource Enhancement and Protection (REAP) program At $10 million for clean water projects, this was a significant coup in a year that saw Pennsylvania's environmental funding cut deeply across the board CBF was also the recipient of a $14 9 million dollar award through the federal program American Recovery and Restoration Act These funds are passed through to farmers and other partners in the Commonwealth to significantly increase pollution reduction activities, including the installation for forested buffers and the implementation of agricultural conservation practices on 44 farms in that state's portion of the Chesapeake Bay watershed CBF will complete this major project in 2011 and include a summary in our FY 2011 report Maryland CBF successfully advocated for a budget appropriation in the 2010 General Assembly of $22 5 million for a key Bay-restoration program that attacks stormwater and farm pollution This significant state investment is twice the amount budgeted in the previous year CBF also convinced the legislature to fully fund Program Open Space, the state's land conservation program Additionally, CBF successfully advocated against major cuts in state environmental agency funding and against attempts to weaken Governor O'Malley's proposed new oyster restoration plan VirginiaCBF strongly backs the 2010 Virginia General Assembly's deadline for implementing new, more rigorous storm water rules in Virginia The measure calls for the state's new rules to become effective within 280 days after the U S Environmental Protection Agency (EPA) establishes a Chesapeake Bay pollution-reduction plan (called a Total Maximum Daily Load, or TMDL) but no later than December 1, 2011 The deadline ensures that the Commonwealth will begin more aggressively addressing storm water runoff, the only source of water pollution that has continued to increase in recent years and that must be better managed for clean water and the Bay CBF successfully advocated for state funding in the amount of $9 1 million in each of the next two years to implement farm clean-water practices that reduce runoff Given the state's unprecedented revenue shortfall due to the economic recession, the farm conservation funding is a real win for farming and clean water LitigationBlue Plains Sewage Treatment PlantAfter successfully challenging the discharge permit for the District of Columbia's Blue Plains sewage plant-the single largest point source discharger of nitrogen in the Bay Watershed-a revised permit consistent with our initial objections was issued in August of 2010 The revised permit reduces the amount of nitrogen the plant can discharge by 3 8 million pounds each year-a 45 percent reduction-and provides a schedule for construction of compliance upgrades EPA Lawsuit - Fowler v EPAIn January 2009, CBF, along with several signatories to the Chesapeake Bay Agreements, a fishing association, and two watermen's associations, filed a complaint in federal court against the U S Environmental Protection Agency (EPA) for failure to comply with the Clean Water Act and the terms of the Chesapeake Bay Agreements Settlement discussions were begun with the new Administration soon after the suit was filed After 15 months of negotiation, the parties were able to reach an agreement and a settlement was finalized on May 11, 2010 The historic settlement agreement provides a legally binding, enforceable commitment that EPA will take specific actions under its current authority to ensure that pollution to rivers, streams, and the Chesapeake Bay is reduced sufficiently to remove the Bay from the federal "impaired waters" list The agreement is comprehensive, and includes accountability and consequences for failure In addition, it specifically incorporates the TMDL process, including a requirement that state implementation plans meet specific criteria and that EPA will consider a suite of consequences should the states fail to act or meet their milestones In addition, under this agreement CBF can go back to court if the federal government fails to comply with any of the terms of the agreement King WilliamIn 2005, CBF and others challenged the issuance of two severely flawed permits that would have allowed the proposed King William Reservoir to be built After a five year legal battle, CBF prevailed and brought the proposed King William Reservoir to a halt- ultimately preserving over 400 acres of pristine wetlands within in the Bay's watershed The litigation department worked closely with lawyers from the Southern Environmental Law Center and Georgetown University in drafting briefs that ultimately carried the day Merck Permit ChallengeIn April of 2009, Virginia approved an increase in the amount of nutrients Merck's Stonewall Plant could discharge into the Shenandoah River, one of the many already impaired tributaries of the Chesapeake Bay The pharmaceutical manufacturer was permitted to discharge an additional 14,619 pounds of nitrogen and 1,096 additional pounds of phosphorous from its wastewater-treatment facility each year into the river CBF is challenging this decision in state court Pennsylvania Marcellus Shale ProjectIn 2009 Pennsylvania's Department of Environmental Protection (DEP) eliminated local conservation districts from the review process of certain types of permits related to the natural gas industry Conservation districts are traditionally experts in erosion control and stream protection and their expertise in this area is invaluable to the protection of the environment CBF's concerns with the new expedited process were immediate Late that summer, and in response to permits issued to several natural gas companies under the new permitting process, CBF filed three appeals with the Pennsylvania Environmental Hearing Board challenging several erosion and sediment control permits As a result of CBF's legal challenges, DEP revoked the permits and sought action against the companies that drafted the applications Settlement negotiations between the parties were begun shortly thereafter and are continuing Dobbins IslandFive years ago, CBF chose to get involved in several local cases concerning the development of property located in Maryland's critical area One particular case centered on the development of an island in the Magothy River known as Dobbins Island The proposed development was not in line with critical area law This case is ongoing Sparrows PointIn May 2009, CBF and others sent a notice of intent to sue to past and present owners of the Sparrows Point steel facility, as well as the state and federal agencies charged with oversight of the property, based upon decades of unchecked hazardous waste pollution After a year's worth of efforts failed to resolve the claims in the intent to sue letter, CBF and several members filed a lawsuit in federal court against present owner Severstal and former owner Arcelor Mittal The lawsuit asks the court to order the owners to fully investigate offsite contamination, take emergency measures to more fully prevent pollution leaving the facility, and to remove and remediate off-site contamination, among other measures CBF members live around and recreate in the waters surrounding the steel mill property, and determining whether or not a threat to human health and water quality exists is vitally important Please see page 56 for the continuation of this program description

4c (Code) (Expenses $ 2,459,458 including grants of $) (Revenue $)

Communications CommunicationsIn FY 2010, CBF Communications partnered with CBF's other program departments to generate extensive media coverage, paid print and radio advertising, print and online publications, and direct outreach to targeted audiences CBF's message and goals extended throughout the six-state Bay watershed and beyond In FY 2010, CBF was quoted or named in 1,422 television, radio, and newspaper stories PublicationsIn FY 2010, CBF researched, wrote, and released two major investigative reports Bad Water The Impact on Human Health in the Chesapeake Bay Region, was released in July 2009, and On the Brink Chesapeake's Native Oysters, What it Will Take to Bring them Back, which was released in June 2010 Other FY 2010 publications included the members' magazine, CBF's 2009 Annual Report, the CBF Volunteer Annual Report, brochures, and informational materials Electronic CommunicationsIn FY 2010, CBF's website compelled 7,812 people to send 16,977 advocacy messages to government leaders In the same time period CBF's website, cbf org, had more than 400,000 unique visitors CBF's monthly electronic newsletters were distributed to more than 90,000 members in the Chesapeake watershed and beyond Using social media, CBF spread its messages through CBF's Facebook page (whose fans doubled to nearly 12,000 in FY 2010 and became the top referring site to cbf org) and Twitter Bay Daily (cbf org/baydaily), CBF's blog about environmental news and opinions in the Chesapeake Bay region, had more than 300 subscribers in FY 2010 Volunteers and Outreach CBF continued its outreach to targeted audiences, including Gardeners for the Bay, Cyclists for the Bay, Boaters for the Bay, and Oyster gardeners In fact, 19,107 volunteers worked over 74,000 hours, which The Independent Sector values at $1,483,603 (an unaudited number) CBF continued to demonstrate its commitment to energy efficiency and sustainability at its 10-year-old Philip Merrill Environmental Center, acknowledged as one of the greenest office buildings in the world CBF led educational tours of its Annapolis headquarters for hundreds of visitors, including architects and other construction professionals The tours demonstrate how the facility works and teaches how to build and live sustainability

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶$ 27,110,978

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7	Yes	
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	Yes	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* — 12A: Yes: , No: No			
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17	Yes	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		No

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	28c	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		No
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Line	Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable*	1a	121			
b	Enter the number of Forms W-2G included in line 1a *Enter -0- if not applicable*	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	229			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	Yes	
b	If "Yes," enter the name of the foreign country ▶VI, CJ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h	Yes	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body	**1a** 35			
b	Enter the number of voting members that are independent	**1b** 34			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		**3**		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		**4**		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?		**5**		No
6	Does the organization have members or stockholders?		**6**		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		**7a**		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		**7b**		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?		**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		**9**		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	**10b**		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	**11**	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	**12c**	Yes	
13	Does the organization have a written whistleblower policy?	**13**	Yes	
14	Does the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ AL , AK , AZ , AR , CA , CO , CT , FL , GA , HI , IL , KS , LA , ME , MD , MA , MI , MN , MS , MO , NH , NJ , NM , NY , NC , ND , OH , OK , OR , PA , RI , SC , TN , UT , VA , WA , WV , WI , KY

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☑ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

FAY R NANCE
6 HERNDON AVENUE
ANNAPOLIS,MD 214034503
(410) 268-8816

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
See add'l data										

1b Total . . . . ▶	1,338,443	0	189,040

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶13

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	**(B)** Description of services	**(C)** Compensation
The Production Advantage Inc 13873 Park Center Rd Oak Hill, VA 20171	Mass Production Printing	661,816
Citizens Campaign Inc 23885 Denton St Suite B Clinton Township, MI 48036	Public Outreach And Advocacy	633,614
Whitmore Print & Imaging 1982 Moreland Parkway Annapolis, MD 21401	Mass Production Printing	304,963
Carol Enters List Co Inc PO Box 2409 Fairfax, VA 22031	List Management & Brokerage	239,775
Terra-Gro Inc 350 Nottingham Rd Nottingham, PA 19362	Agriculture Consulting	237,120

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶10

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts						
1a	Federated campaigns . . . 1a	442,578				
b	Membership dues 1b					
c	Fundraising events 1c	247,878				
d	Related organizations . . . 1d					
e	Government grants (contributions) 1e	11,929,202				
f	All other contributions, gifts, grants, and similar amounts not included above 1f	15,095,395				
g	Noncash contributions included in lines 1a-1f $ 976,458					
h	**Total.** Add lines 1a-1f . . . . ▶		27,715,053			
Program Service Revenue		Business Code				
2a	Tuition and Education	900,099	1,031,464	1,031,464		
b	Farm Income	900,099	190,304	190,304		
c	Contract Income	900,099	85,276	85,276		
d	Workshop Income	900,099	6,415	6,415		
e	Tour Income	900,099	2,490	2,490		
f	All other program service revenue		3,419	3,419		
g	**Total.** Add lines 2a–2f . . . . ▶		1,319,368			
Other Revenue						
3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶		426,336		2,295	424,041
4	Income from investment of tax-exempt bond proceeds . . ▶					
5	Royalties . . . . ▶		53,018			53,018

		(i) Real	(ii) Personal
6a	Gross Rents	362,013	
b	Less rental expenses		
c	Rental income or (loss)	362,013	

		(A)	(B)	(C)	(D)
6d	Net rental income or (loss) . . . . ▶	362,013		192,479	169,534

		(i) Securities	(ii) Other
7a	Gross amount from sales of assets other than inventory	22,994,464	9,500
b	Less cost or other basis and sales expenses	24,051,116	
c	Gain or (loss)	-1,056,652	9,500

			(A)	(B)	(C)	(D)
7d	Net gain or (loss) . . . . ▶		-1,047,152			-1,047,152
8a	Gross income from fundraising events (not including $ 247,878 of contributions reported on line 1c) See Part IV, line 18 . . . a	72,235				
b	Less direct expenses . . . b	177,150				
c	Net income or (loss) from fundraising events . . ▶		-104,915			-104,915
9a	Gross income from gaming activities See Part IV, line 19 . . . a					
b	Less direct expenses . . . b					
c	Net income or (loss) from gaming activities . . ▶					
10a	Gross sales of inventory, less returns and allowances . a					
b	Less cost of goods sold . . b					
c	Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
11a						
b						
c						
d	All other revenue					
e	**Total.** Add lines 11a–11d . . . . . . ▶					
12	**Total revenue.** See Instructions . . . ▶		28,723,721	1,319,368	194,774	-505,474

Part IX **Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	**(A)** Total expenses	**(B)** Program service expenses	**(C)** Management and general expenses	**(D)** Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	9,460,617	9,460,617		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	120,216	120,216		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,364,227	580,910	591,186	192,131
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	7,787,605	6,065,612	815,767	906,226
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	311,679	239,243	34,249	38,187
9 Other employee benefits	2,288,120	1,670,807	336,225	281,088
10 Payroll taxes	645,245	476,544	87,088	81,613
11 Fees for services (non-employees)				
a Management				
b Legal	125,550	90,564	20,992	13,994
c Accounting	145,088		145,088	
d Lobbying	131,106	131,106		
e Professional fundraising *See Part IV, line 17* . .	138,596			138,596
f Investment management fees	86,680		86,680	
g Other	2,514,749	2,400,465	69,799	44,485
12 Advertising and promotion	116,680	102,619		14,061
13 Office expenses	2,703,784	2,044,242	67,342	592,200
14 Information technology	327,838	200,786	101,601	25,451
15 Royalties . .	230,318	152,521		77,797
16 Occupancy	340,029	312,562	20,434	7,033
17 Travel	353,612	315,425	17,949	20,238
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	179,810	99,367	64,430	16,013
20 Interest	437,150	282,652	106,043	48,455
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	881,396	775,900	53,595	51,901
23 Insurance	296,650	252,334	26,251	18,065
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a Repairs & Maintenance	294,463	251,735	37,433	5,295
b Miscellaneous	242,186	158,035	27,837	56,314
c Outside services	66,936	33,302	14,543	19,091
d Federal taxes	36,000		36,000	
e Allocation of G&A	0	893,414	-1,029,137	135,723
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	31,626,330	27,110,978	1,731,395	2,783,957
26 **Joint costs.** Check here ☑ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation	2,232,286	1,419,972	0	812,314

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	12,134	1	11,236
	2	Savings and temporary cash investments	13,046,597	2	9,037,027
	3	Pledges and grants receivable, net	9,934,186	3	7,482,323
	4	Accounts receivable, net	599,313	4	6,270,573
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net	103,000	7	103,000
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	287,441	9	428,668
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* — 10a: 32,889,169			
	b	Less accumulated depreciation — 10b: 12,282,039	20,995,963	10c	20,607,130
	11	Investments—publicly traded securities	17,272,129	11	21,281,269
	12	Investments—other securities See Part IV, line 11	14,172,304	12	17,608,266
	13	Investments—program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	78,591	15	73,171
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	76,501,658	16	82,902,663
Liabilities	17	Accounts payable and accrued expenses	1,632,096	17	7,187,758
	18	Grants payable		18	
	19	Deferred revenue	187,950	19	116,027
	20	Tax-exempt bond liabilities	7,795,000	20	7,420,000
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		22	
	23	Secured mortgages and notes payable to unrelated third parties	685,125	23	648,143
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities Complete Part X of Schedule D	1,648,939	25	1,863,790
	26	**Total liabilities.** Add lines 17 through 25	11,949,110	26	17,235,718
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	16,338,669	27	18,827,993
	28	Temporarily restricted net assets	9,572,616	28	8,166,272
	29	Permanently restricted net assets	38,641,263	29	38,672,680
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	64,552,548	33	65,666,945
	34	Total liabilities and net assets/fund balances	76,501,658	34	82,902,663

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ______ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . .	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b	Yes	

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHESAPEAKE BAY FOUNDATION INC

Employer identification number
52-6065757

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☑ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?	**11g(i)**		
(ii) a family member of a person described in (i) above?	**11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	**(a)** 2005	**(b)** 2006	**(c)** 2007	**(d)** 2008	**(e)** 2009	**(f)** Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	23,969,086	26,057,553	17,300,141	18,249,743	27,715,053	113,291,576
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3	23,969,086	26,057,553	17,300,141	18,249,743	27,715,053	113,291,576
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						6,346,843
6 **Public Support.** Subtract line 5 from line 4						106,944,733

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2005	**(b)** 2006	**(c)** 2007	**(d)** 2008	**(e)** 2009	**(f)** Total
7 Amounts from line 4	23,969,086	1,229,071	17,300,141	18,249,743	27,715,053	113,291,576
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	845,453	1,229,071	2,558,678	960,505	646,593	6,240,300
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets	63,084	33,071	12,161			108,316
11 **Total support** (Add lines 7 through 10)						119,640,192

12 Gross receipts from related activities, etc (See instructions) **12** 7,097,376

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) **14** 89 390 %

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 **15** 77 270 %

16a **33 1/3% support test—2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☑

b **33 1/3% support test—2008.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	**(a)** 2005	**(b)** 2006	**(c)** 2007	**(d)** 2008	**(e)** 2009	**(f)** Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2005	**(b)** 2006	**(c)** 2007	**(d)** 2008	**(e)** 2009	**(f)** Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2008** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
CHESAPEAKE BAY FOUNDATION INC	52-6065757

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing Organization's Totals	**(b)** Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	220,533	
b Total lobbying expenditures to influence a legislative body (direct lobbying)	285,196	
c Total lobbying expenditures (add lines 1a and 1b)	505,729	
d Other exempt purpose expenditures	31,120,601	
e Total exempt purpose expenditures (add lines 1c and 1d)	31,626,330	
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	

If the amount on line 1e, column (a) or (b) is:	**The lobbying nontaxable amount is:**
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

	(a)	**(b)**
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	
h Subtract line 1g from line 1a If zero or less, enter -0-	0	
i Subtract line 1f from line 1c If zero or less, enter -0-	0	

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2006	**(b)** 2007	**(c)** 2008	**(d)** 2009	**(e)** Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	492,540	641,067	282,314	505,729	1,921,650
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	198,680	176,104	56,257	220,533	651,574

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities? If "Yes," describe in Part IV			
j	Total lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i
Also, complete this part for any additional information

Identifier	Return Reference	Explanation

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHESAPEAKE BAY FOUNDATION INC

Employer identification number
52-6065757

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

- ☐ Preservation of land for public use (e g , recreation or pleasure)
- ☐ Preservation of an historically importantly land area
- ☑ Protection of natural habitat
- ☐ Preservation of a certified historic structure
- ☑ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	45
b	Total acreage restricted by conservation easements	2b	7,417 00
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ 0

4 Number of states where property subject to conservation easement is located ▶ 2

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☑ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ 14 00

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ 1,126

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☑ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $

(ii) Assets included in Form 990, Part X ▶ $

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $

b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	39,486,412	42,593,814			
b Contributions	376,609	358,266			
c Investment earnings or losses	701,687	-1,925,967			
d Grants or scholarships					
e Other expenditures for facilities and programs	662,381	-1,539,701			
f Administrative expenses					
g End of year balance	39,902,327	39,486,412			

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ▶ 14 380 % %

b Permanent endowment ▶ 76 780 % %

c Term endowment ▶ 8 840 % %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)	Yes	
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		10,315,411		10,315,411
b Buildings		15,097,564	6,961,829	8,135,735
c Leasehold improvements				
d Equipment				
e Other		7,476,194	5,320,210	2,155,984
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				20,607,130

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other Partnerships/Alternative Investments	14,683,916	F
Beneficial Interest in Perpetual Trust	2,924,350	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	17,608,266	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Split Interest Agreement	878,034
Interest Rate Swap Obligation	985,756
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	1,863,790

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	28,723,721
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	31,626,330
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-2,902,609
4	Net unrealized gains (losses) on investments	4	4,305,501
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-288,495
9	Total adjustments (net) Add lines 4 - 8	9	4,017,006
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	1,114,397

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	33,164,828
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	4,305,501		
b	Donated services and use of facilities	2b	333,631		
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-86,845		
e	Add lines **2a** through **2d**			2e	4,552,287
3	Subtract line **2e** from line **1**			3	28,612,541
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	86,680		
b	Other (Describe in Part XIV)	4b	24,500		
c	Add lines **4a** and **4b**			4c	111,180
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	28,723,721

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	32,050,431
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	333,631		
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	177,150		
e	Add lines **2a** through **2d**			2e	510,781
3	Subtract line **2e** from line **1**			3	31,539,650
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	86,680		
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	86,680
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	31,626,330

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Part II, Line 9	Description of How Organization Reports Conservation Easements	A monetary value has not been placed on conservation easements, therefore, they are not included in financial statements
Part V, Line 4	Description of Intended Use of Endowment Funds	Endowment funds are used for donor restricted projects as well as to fund unrestricted activities Donor restricted endowments are used for education in general, field education, farm operations, support and maintenance of facilities and boats, and restoration projects It is the policy of the Foundation to spend 5% of a twelve quarter trailing average of the sum of accumulated investments
Part X	Description of Uncertain Tax Positions Under FIN 48	In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, Income Taxes, that provides guidance for reporting uncertainty in income taxes For the years ended June 30, 2010 and 2009, the Foundation has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements
Part XI, Line 8 - Other Adjustments		Interest Rate Swap $(263,995) Partnership revenue not included in the financial statements but included in revenue for unrelated business tax calculation $(24,500)
Part XII, Line 2d - Other Adjustments		Change in Value of Swap Arrangement $(263,995) Special Event Expenses $177,150
Part XII, Line 4b - Other Adjustments		Partnership revenue not included in the financial statements but included in revenue for unrelated business tax calculation $24,500
Part XIII, Line 2d - Other Adjustments		Special Event Expenses $177,150

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SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
CHESAPEAKE BAY FOUNDATION INC

Employer identification number
52-6065757

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☑ Mail solicitations
- **b** ☑ Internet and e-mail solicitations
- **c** ☑ Phone solicitations
- **d** ☑ In-person solicitations
- **e** ☑ Solicitation of non-government grants
- **f** ☑ Solicitation of government grants
- **g** ☑ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☑ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? **Yes**	**No**	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Kassmark Inc	Direct Mail Member Acq Consulting		No	612,614	14,150	598,464
Charity Dynamics Inc	Online Consulting		No	457,126	14,400	442,726
Citizens Campaign Inc	Public Outreach	Yes		446,672	75,153	371,519
Share Group Inc	Telemarketing Services		No	219,901	34,893	185,008
Total . . . . ▶				1,736,313	138,596	1,597,717

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

AL,AK,AZ,AR,CA,CO,CT,DC,FL,GA,HI,IL,KS,LA,ME,MD,MA,MI,MN,MS,MO,NH,NJ,NM,NY,NC,ND,OH,OK,OR,PA,RI,SC,TN,UT,VA,WA,WV,WI,KY

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

			(a) Event #1 BandInSand (event type)	(b) Event #2 GOLF (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1	Gross receipts	143,896	176,217		320,113
	2	Less Charitable contributions	109,271	138,607		247,878
	3	Gross income (line 1 minus line 2)	34,625	37,610		72,235
Direct Expenses	4	Cash prizes				
	5	Non-cash prizes				
	6	Rent/facility costs	7,083	24,687		31,770
	7	Food and beverages	21,458	29,049		50,507
	8	Entertainment	2,400	600		3,000
	9	Other direct expenses	34,427	57,446		91,873
	10	Direct expense summary Add lines 4 through 9 in column (d)			▶	177,150
	11	Net income summary Combine lines 3, column d, and line 10			▶	-104,915

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

			(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1	Gross revenue				
Direct Expenses	2	Cash prizes				
	3	Non-cash prizes				
	4	Rent/facility costs				
	5	Other direct expenses				
	6	Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7	Direct expense summary Add lines 2 through 5 in column (d)			▶	
	8	Net gaming income summary Combine lines 1, column d, and line 7			▶	

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities ____			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

			Yes	No
13	Indicate the percentage of gaming activity operated in			
a	The organization's facility **13a**			
b	An outside facility **13b**			
14	Enter the name and address of the person who prepares the organization's gaming/special events books and records Name ▶ ____ Address ▶ ____			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	**15a**		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ $ ____ and the amount of gaming revenue retained by the third party ▶ $ ____			
c	If "Yes," enter name and address Name ▶ ____ Address ▶ ____			
16	Gaming manager information Name ▶ ____ Gaming manager compensation ▶ $ ____ Description of services provided ▶ ____ ☐ Director/officer ☐ Employee ☐ Independent contractor			
17	Mandatory distributions			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	**17a**		
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $			

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHESAPEAKE BAY FOUNDATION INC

Employer identification number
52-6065757

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ **Yes** ☐ **No**

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . ▶ ☐

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Chester County Conservation District688 Unionville Rd Suite 200 Kennett Square, PA 19348	231703039		15,000				Implement Agricultural Best Management Practices
Dann Marine Towing LC299 Boatyard Rd Chesapeake City, MD 21915	521900224		326,914				Clean Diesel Marine Engines
Elizabeth River Project475 Water Street STE 103 Portsmouth, VA 23704	541663058	501(c)(3)	17,091				Watershed Restoration and Conservation Activities
Environmental Defense Fund 1875 Conneticut Ave NW STE 600 Washington, DC 20009	116107128	501(c)(3)	320,000				Implement Agricultural Best Management Practices
Forest Trends Association 1050 Potomac ST NW Washington, DC 20007	522135531	501(c)(3)	130,000				Nutrient Neutral Strategic Planning & Development
Lancaster County Conservation District1383 Arcadia Road Rm 200 Lancaster, PA 17601	231666539		15,000				Implement Agricultural Best Management Practices
Red Barn Inc1383 Arcadia Rd STE 001 Lancaster, PA 17601	412024936		3,063,895				Implement Agricultural Best Management Practices
Susquehanna County Conservation District31 Public Ave Montrose, PA 18801	246019940		124,095				Implement Agricultural Best Management Practices
Team Ag Inc120 Lake St Ephrata, PA 17522	233102803		5,370,020				Implement Agricultural Best Management Practices
Terra-Gro Inc350 Notttingham Rd Nottingham, PA 19362	233091567		24,614				Implement Agricultural Best Management Practices
World Resources Institute Inc10 G ST NE STE 800 washington, DC 20002	521257057	501(c)(3)	38,750				Nutrient Neutral Strategic Planning & Development

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 7

3 Enter total number of other organizations . . . ▶ 4

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	**(b)** Number of recipients	**(c)** Amount of cash grant	**(d)** Amount of non-cash assistance	**(e)** Method of valuation (book, FMV, appraisal, other)	**(f)** Description of non-cash assistance
Cost-share of clean diesel marine engines	4	120,216			
See Additional Data Table					

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	**Return Reference**	**Explanation**
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 Grant agreements require detailed project reports that are reviewed by departmental Financial Managers before payments are made Program Managers will also review and approve the Grantee's Project Performance according to the details of the grant

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

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Name of the organization
CHESAPEAKE BAY FOUNDATION INC

Employer identification number
52-6065757

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☑ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		No
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	**4c**		No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III	**5b**		No
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III	**6b**		No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
William C Baker	(i)	169,402	0	0	0	25,183	194,585	0
	(ii)	0	0	0	0	0	0	0
Fay R Nance	(i)	145,560	0	0	0	12,585	158,145	0
	(ii)	0	0	0	0	0	0	0
Edward Allenby	(i)	182,090	0	0	0	16,884	198,974	0
	(ii)	0	0	0	0	0	0	0
Jon A Mueller	(i)	139,384	0	0	0	21,756	161,140	0
	(ii)	0	0	0	0	0	0	0
Roy A Hoagland	(i)	141,797	0	0	0	20,567	162,364	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
	Part I, Line 1a	The residence provided to the key employee was negotiated in the employment contract - and was a condition of the employee accepting employment The full value of housing costs is included as taxable wages to the employee and is taxed accordingly

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

OMB No 1545-0047

2009

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Name of the organization
CHESAPEAKE BAY FOUNDATION INC

Employer identification number
52-6065757

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
Winslow Green Growth Fund	Board of Trustees	1,063,077	Trustee William C Baker is a compensated CEO and member of CBF's Board of Trustees D Keith Campbell (Chairman of CBF's Board of Trustees) and Truman T Semans (Chairman of Investment Committee) are non-compensated members of the CBF's Board of Trustees Joseph R Hardiman is a non-compensated member of CBF's Investment Committee All listed serve on the Board of Directors for Brown Advisory Brown Advisory serves as the parent company and investment advisor of the Winslow Management Company, LLC, which serves as the investment manager of the Winslow Green Growth Fund CBF currently invests funds through the Winslow Management Company on terms and conditions identical to those available to other clients of the Winslow Management Company, LLC, which serves as the investment manager of the Winslow Green Growth Fund The Amount reflected in Column C is the total amount of assets held with the investment company		No
JMI Equity Fund IV LP	Board of Trustees	247,487	Trustee William C Baker is a compensated CEO and member of CBF's Board of Trustees D Keith Campbell (Chairman of CBF's Board of Trustees) and Truman T Semans (Chairman of Invest Committee) are non-compensated trustees of CBF's board All serve on the B O D for Brown Advisory, which serves as the investment manager for the JMI Equity Fund IV, L P Joseph R Hardiman, a non-compensated member of CBF's Invest Committee, also serves on the Board of Directors for Brown Advisory, which serves as the investment manager for the JMI Equity Fund IV,L P CBF invests funds through Brown Advisory on terms and conditions identical to those available to other clients of Brown Advisory The amount reflected in Column C is the total amount of assets held with the company		No
Accel VIII LP	Board of Trustees	47,602	Trustee William C Baker is a compensated CEO and member of CBF's Board of Trustees D Keith Campbell (Chairman of CBF's Board of Trustees) and Truman T Semans (Chairman of Invest Committee) are non-compensated memebers of CBF's Board of Trustees All listed serve on the B O D for Brown Advisory, which serves as the investment manager for the Accel VIII,L P Joseph R Hardiman, a non-compensated member of CBF's Invest Committee, also serves on the Board of Directors for Brown Advisory, which serves as the investment manager for Accel VIII, L P CBF currently invests funds through Brown Advisory on terms and conditions identical to those available to other clients of Brown Advisory The amount reflected in Column C is the total amount of assets held with the investment company		No

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization	Employer identification number
CHESAPEAKE BAY FOUNDATION INC	52-6065757

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art—Works of art	X	1	12,171	Comparable Sales
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes	X	1	10,650	Blue Book Value
8	Intellectual property				
9	Securities—Publicly traded	X	97	862,316	Stock @ Donation
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles	X	1	7,000	Comparable sales
19	Food inventory	X	3	1,621	Comparable sales
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (Auction Items)	X	58	26,510	Auction Price
26	Other ▶ (Other Items)	X	15	56,190	Sale Price
27	Other ▶ ( )				
28	Other ▶ ( )				

			Yes	No
29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29	1	
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a	Yes	
b	If "Yes," describe in Part II			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Third Party Use	Part I, Line 32b	Licensed boat brokers were used to sell donated boats that were not used for operations

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SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
CHESAPEAKE BAY FOUNDATION INC

Employer identification number
52-6065757

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		An independent audit firm is engaged to conduct the financial statements' audit and to assist in preparing the Form 990 The Chief Financial Officer and Finance staff directly participate in preparing the form, drafting responses to questions and reviewing the Form 990 in draft The Chief Financial Officer then reviews it with the President and Chairman of the Audit and Finance Committee The 990 is provided to the Audit and Finance Committee, comprised of Board of Trustee members, for their review and comments, after which it is sent to the full Board before being electronically filed with the IRS

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		Each Trustee, officer, key employee and employees in positions to obligate CBF are required to review a copy of the conflict of interest policy annually and complete a disclosure form identifying any relationship positions or circumstances in which he or she believes could contribute to a conflict The conflict of interest disclosure form is completed, signed and returned to the Chief Financial Officer who notifies the Chairman of the Audit and Finance Committee and the General Counsel of any concerns This process is also covered in orientation sessions held for new Trustees as well as for new employees If items arise during Board meetings that are conflicts of interest, the board member having possible conflicts of interest cannot vote or participate in Board or Committee deliberations on the subject or be counted toward meeting a quorum They may answer questions

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		During the annual budget approval meeting of the Audit and Finance Committee of the Board of Trustees, the Committee reviews and approves the salary and any proposed pay increase for the President Compensation related decisions are documented within the minutes Generally, compensation for all staff is independently reviewed and determined annually based on performance evaluation, and analysis of comparable data obtained from industry resources and peer organizations An overall increase pool, based on market data, is approved by the Committee for use in the process In addition, the President, Chief of Staff and Director of Human Resources review and approve all staff alignment to ensure consistency and continuity of various positions within the appropriate pay grades and ranges

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		CBF's governing documents and conflict of interest policy are available to the public upon request using contact information on the website Audited financial statements, the Form 990, and the Annual Report can be found on CBF's website Audited financial statements and the Form 990 are also filed with state charitable solicitation registrations, and are also available through not-for-profit internet portals such as Guidestar and Charity Navigator

Identifier	Return Reference	Explanation
Form 990, Part III, Line 4a	Continuation from page 50	Restoration In FY 2010, CBF's Oyster Restoration Centers in Virginia and Maryland produced 36 million spat-on-shell oysters and transplanted them to restoration reefs in the Piankatank, Lafayette, Patuxent, Choptank, and Severn rivers Partners in these efforts included the National Oceanic and Atmospheric Administration, the Virginia Marine Resources Commission, the Virginia Institute of Marine Science, the Maryland Oyster Recovery Partnership, the Maryland Department of Natural Resources, the University of Maryland Horn Point Laboratory, and The Nature Conservancy This number of spat-on-shell represents a 70 percent increase from FY 2009's spat-on-shell production As the centers continue to develop their setting procedures, we expect the numbers to continue growing In an effort to build live, three-dimensional "microtopography" on restoration reefs, the Oyster Restoration Centers produced 400 concrete reef balls with the help of crews of volunteers Center staff and volunteers set these reef balls with spat and planted them on reef sites in the Lafayette, Piankatank, and Choptank rivers FY 2010 marked the first year of reef ball construction at the Virginia Center Both operations continue to improve their reef ball processes, so we expect these numbers to grow too Both of CBF's Oyster Restoration Centers also continued distributing spat-on-shell to volunteer growers Between the two states, about 250 volunteers participated In the fall of 2009, they picked up 500,000 spat-on-shell for growing in wire cages at local docks In June 2010, they turned in 200,000 ten-month-old oysters, ranging from 1 inch to 2 5 inches, for transplantation onto restoration reefs Forested buffers have proven extremely effective in filtering pollutants before they contaminate the water and encouraging natural in-stream processes that further reduce pollution Across the states of Pennsylvania, Maryland, and Virginia, CBF joined with farmers, watershed associations, volunteers, and others to restore more than 208 acres of wetlands and plant over 65 miles of streamside wooded buffers Much of the cost-share funding came from the USDA's Conservation Reserve Enhancement program, augmented by state and private contributions Meanwhile, restoration programs in Maryland and Virginia used 3,300 hours of volunteer assistance to plant 6,875 trees and restore 128 8 acres of upland habitat In FY 2010, CBF expanded its successful VoiCeS (Volunteers as Chesapeake Stewards Program), which combines in-depth seminars on the Bay with a 40-hour commitment to community service projects Programs for 46 volunteers in Annapolis and Easton continued, while CBF again offered a class for 25 in Virginia's Hampton Roads, concentrating especially on issues facing Norfolk's Lafayette River

Additional Data

Software ID:
Software Version:
EIN: 52-6065757
Name: CHESAPEAKE BAY FOUNDATION INC

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
D Keith Campbell Chairman	1 00	X		X				0	0	0
James E Rogers Vice Chairman	1 00	X		X				0	0	0
Susan S Phillips Secretary	1 00	X		X				0	0	0
Alan L Wurtzel Treasurer	1 00	X		X				0	0	0
Alan R Griffith Trustee	1 00	X						0	0	0
Alexis G Sant Trustee	1 00	X						0	0	0
Amanda Deaver Trustee	1 00	X						0	0	0
Ann Fritz Hackett Trustee	1 00	X						0	0	0
Anthony A Williams Trustee	1 00	X						0	0	0
Byron F Marchant Trustee	1 00	X						0	0	0
Carolyn Groobey Trustee	1 00	X						0	0	0
Charles W Moorman IV Trustee	1 00	X						0	0	0
Donald F Boesch Trustee	1 00	X						0	0	0
Eugene Taylor Sutton Trustee	1 00	X						0	0	0
G Waddy Garrett Trustee	1 00	X						0	0	0
H Turney McKnight Trustee	1 00	X						0	0	0
Jane P Batten Trustee	1 00	X						0	0	0
Jennifer Stanley Trustee	1 00	X						0	0	0
John T Casteen III Trustee	1 00	X						0	0	0
Marie W Ridder Trustee	1 00	X						0	0	0
Matthew J Klein Trustee	1 00	X						0	0	0
Michael J Hanley Trustee	1 00	X						0	0	0
Peter L Woike Trustee	1 00	X						0	0	0
Richard L Franyo Trustee	1 00	X						0	0	0
Robert A Kinsley Trustee	1 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Simon Sidamon-Eristoff Trustee	1 00	X						0	0	0
Truman T Semans Trustee	1 00	X						0	0	0
W Russell G Byers Jr Trustee	1 00	X						0	0	0
W Tayloe Murphy Jr Trustee	1 00	X						0	0	0
Adrian M Fenty EX-officio trustee	1 00	X						0	0	0
Edward G Rendell EX-officio trustee	1 00	X						0	0	0
Joanne S Berkley EX-officio trustee	1 00	X						0	0	0
Martin J O'Malley EX-officio trustee	1 00	X						0	0	0
Robert F McDonnell EX-officio trustee	1 00	X						0	0	0
William C Baker President	40 00	X		X				169,402	0	25,183
Mary Tod Winchester Assist Secretary	40 00			X				115,204	0	25,371
Fay R Nance Assist Treasurer	40 00			X				145,560	0	12,585
Charles D Foster Assist Treasurer	40 00			X				96,436	0	19,407
Edward Allenby V P - Development	40 00				X			182,090	0	16,884
Deborah L Boyd Dir Human Resources	40 00					X		105,361	0	4,838
Donald Baugh V P - Education	40 00					X		120,095	0	25,429
Elizabeth Buckman V P - Communications	40 00					X		123,114	0	17,020
Jon A Mueller V P - Litigation	40 00					X		139,384	0	21,756
Roy A Hoagland V P - Env Protection & Restoration	40 00					X		141,797	0	20,567

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Tuition and Education	900,099	1,031,464	1,031,464		
Farm Income	900,099	190,304	190,304		
Contract Income	900,099	85,276	85,276		
Workshop Income	900,099	6,415	6,415		
Tour Income	900,099	2,490	2,490		

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	**(A) Total expenses**	**(B) Program service expenses**	**(C) Management and general expenses**	**(D) Fundraising expenses**
Repairs & Maintenance	294,463	251,735	37,433	5,295
Miscellaneous	242,186	158,035	27,837	56,314
Outside services	66,936	33,302	14,543	19,091
Federal taxes	36,000		36,000	
Allocation of G&A	0	893,414	-1,029,137	135,723