LETTER FROM THE DIRECTOR

For me, science has always been the most exciting aspect of the Center’s mission—2016 was thrilling in that respect. In November, the Center demonstrated continued improvements in Bay health with the publication of its five-year State of the Bays Report. The previous report, published in 2011, had shown some promising indicators of water quality. To see these improvements confirmed and continued five years later stopped me in my tracks.

Like most scientists, I am a healthy skeptic. Admittedly, it wasn’t easy for me to accept the improvements that the environmental indicators showed; the decrease in concentration of excess nutrients and algae in the Bays seemed too good to be true. But as the news sank in, I realized the origin of these positive changes.

**The Bays became healthier because of your support.** They are healthier because of every person who applied themselves to protect these beautiful and productive estuaries. From farmers to engineers, to business owners, municipal officials, scientists, educators, and volunteers—all of these folks have put their energy into solving environmental problems together. These efforts are paying off through the partnerships that the Center fosters.

I hope that you enjoy reading about the Center’s other shared successes in 2016. It is my hope that 2016 is the beginning of a continued and accelerating restoration of the Bays. I know that through continued partnerships there are more great things to come.

Thank you for all that you do to preserve, protect and restore Delaware’s Inland Bays, the water that flows into them, and the watershed around them.

Chris Bason
Executive Director
Healthy Bays require resilient, healthy, and natural shorelines that will not only prevent erosion, but also mitigate the impacts of increased flooding—a visible symptom of climate change affecting the watershed.

Traditionally, hardened shorelines (like bulkheads and rip-rap) are used to stabilize shorelines. But these techniques can actually increase erosion on nearby shores, eliminate sandy beaches and natural marshes, and reduce the shallow water habitats that provide nurseries and shelter for fish and wildlife. On Indian River Bay and Rehoboth Bay, more than 20% of the shoreline has already been hardened.

The CIB is a founding partner of the Delaware Living Shoreline Committee, partners statewide working together to promote new alternatives that protect against erosion while preserving the function and beauty of a natural shoreline.

In 2016, the CIB was awarded a grant from the Delaware Water Infrastructure Advisory Council to identify priority sites for living shoreline demonstration projects. The CIB designed five projects where we will be working with communities, property owners, and municipalities on demonstration living shorelines. Each demonstration site represents different shoreline conditions, restoration techniques and materials to address shoreline erosion. These projects offer opportunities to demonstrate the advantages of living shorelines while working with communities, property owners, marine contractors, landscape architects and contractors, and public officials.

Promoting the use of living shorelines is a major focus of our efforts. In March 2016, we conducted a two-day technical training on the design, permitting and installation of living shorelines to 34 marine contractors, engineers, and landscape architects. We also presented our living shorelines exhibits at community events throughout the year.
During 2016, over 200 citizen scientist volunteers conducted the CIB’s annual Inshore Fish and Horseshoe Crab Surveys. Completing over 1,300 hours of work, the teams from both surveys collected data that assists the CIB and its partners in understanding the abundance and variety of fish species found in the Inland Bays, as well as the number of spawning horseshoe crabs and the male-to-female ratio of their populations.

Since its inception in 2011, the inshore fish survey has identified 74 species of fish at the seventeen survey sites around the three Bays. The data collected has documented which species use inshore areas and at what stages in their life cycle they use them. With additional years of data, long term trends will show changes in abundance over the last decade and highlight the effects of positive or negative trends in water quality.

The horseshoe crab survey has tagged 5,581 horseshoe crabs since 2002, with the majority of tagging occurring over the last four seasons. Crab counts have demonstrated a regional difference in sex ratios between the Inland Bays and the Delaware Bay, with the Inland Bays having a higher male to female ratio in four of the last five years.

The CIB also provides support to the University of Delaware’s Citizen Monitoring Program, which provides data for the State of the Inland Bays Reports.

Contaminated water doesn’t just affect fish and wildlife—it affects our everyday lives from the food we eat and the water we drink, to the trips we take to our beaches and bays.

100 miles of Delaware’s waters have fish-consumption advisories caused by high PCBs, metals, and pesticides in the water, and 86% of the state’s rivers and streams are not recommended for swimming due to high levels of bacteria.

Solving these problems will cost money. The Clean Water Alliance’s campaign, titled ‘Clean Water: Delaware’s Clear Choice’, is working with its many Alliance members, including the CIB, to help secure citizen and legislative support for additional funding for clean water projects for the coming years.

In 2016, the CIB hosted a Water Warrior Workshop for volunteers, collected 198 signatures of support at outreach events throughout the watershed, and participated in the 2016 Clean Water Rally at Legislative Hall in Dover to inform and empower the public to advocate for clean water in their own communities and statewide.
In 2016, 47 volunteers teamed up with the CIB, The Nature Conservancy in Delaware, and DNREC Division of Parks and Recreation, to reforest 37 acres of former cropland at Bullseye-Ferry Landing Preserve near Millsboro and the Perry Tract at Angola Neck Preserve near Lewes.

Viewed as a win for native wildlife, local residents, and our Inland Bays—these sites will no longer be fertilized, and the trees planted can help remove some of the nutrient pollution in the soil and groundwater. It is estimated that we will see a pollution reduction of 15 pounds of phosphorus and 592 pounds of nitrogen to the Bays annually—that’s an impact equivalent to removing 55 small septic systems from the watershed!

By reforesting cropland adjacent to other forested areas, the projects are reducing the amount of “edge habitat” (smaller, less-productive areas next to roads, fields and developed areas) and creating a good chunk of “interior habitat” (contiguous, healthy forest).

The 31 new acres of interior habitat created at Bullseye Ferry Landing Preserve and 6.26 acres at the Perry Tract at Angola Neck Preserve, will provide nesting and foraging habitat for native birds and wildlife like the Delmarva fox squirrel, the Cope’s gray tree frog, and songbirds including the wood thrush, scarlet tanager, and yellow-throated warbler.
THANK YOU TO OUR GENEROUS DONORS

Names listed reflect those who donated during the 2016 Fiscal Year 10/2015–9/2016

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Vickie York
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$150–$249

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C. Edward Duvall
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Dr. Marianne Walch
Gary and Linda Taylor
Inland Bays Garden Center
John and Vicki Rymer
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Mary Appollina and Pamela Petill
Meoli Companies t/a McDonald’s
Mike Marrone
Sara Corbishley
Susan Watterson

$75–$149

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Beth Ann Shank
Bethany-Fenwick Chamber of Commerce
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Terrance and Martha Higgins
The Mohrman-Julian Family
Thomas Roth
Warren and Terri Rumble
Willard and Rose Laird
William and Anne Lowe
William Haldeman and Kara Coats
Zita Drener
up to $75

Allan Cairnross
Alma Guigley
Ann and Chris Whaley
Barbara Sorgeler

THANK YOU, CIB VOLUNTEERS!

During 2016, 449 of our volunteers logged an outstanding 3,374 hours of work by participating in outreach events, bagging oyster shells, planting trees, completing citizen science surveys, and more! Together, these volunteer services are valued at approximately $79,491.44! Thank you for being “on board with the bays!”
Statements of Assets, Liabilities and Fund Balances—Accrual Basis
September 30, 2016 and September 30, 2015

ASSETS

Current Assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td>Cash</td>
<td>$439,957</td>
<td>$342,731</td>
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<td>Grants receivable</td>
<td>204,621</td>
<td>198,700</td>
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<td>Prepaid expenses</td>
<td>26,881</td>
<td>13,112</td>
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<td>Accounts receivable</td>
<td>4,370</td>
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<td><strong>Total Current Assets</strong></td>
<td><strong>675,829</strong></td>
<td><strong>558,193</strong></td>
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Property, Plant and Equipment (at Cost)

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<th></th>
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<th>2015</th>
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<tbody>
<tr>
<td>Land</td>
<td>125,000</td>
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<tr>
<td>Building</td>
<td>887,716</td>
<td>885,216</td>
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<tr>
<td>Furniture and Equipment</td>
<td>343,286</td>
<td>327,187</td>
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<td><strong>Less Accumulated Depreciation</strong></td>
<td><strong>(554,021)</strong></td>
<td><strong>(527,826)</strong></td>
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<td><strong>Net Property, Plant and Equipment</strong></td>
<td><strong>801,981</strong></td>
<td><strong>809,577</strong></td>
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Other Assets

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<tr>
<th>Project and Program Funding Partners</th>
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<td>DE Water Infrastructure Advisory Council</td>
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<td>DelDOT</td>
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<td>DNREC</td>
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<td>Division of Fish and Wildlife</td>
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<td>Division of Parks and Recreation</td>
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<td>Division of Watershed Stewardship</td>
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<td>Environmental Protection Agency</td>
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<td>Quiet Resorts Charitable Foundation</td>
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<td>Town of South Bethany</td>
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<td>Town of Dewey Beach</td>
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<td>Stockley Center</td>
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<td>University of Delaware</td>
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<td>Seagrant College Program</td>
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<tr>
<td>Institute for Public Administration</td>
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</table>

Tributes and Memorial Contributions

In Memory of John C. Bennett: Nancy Brumbley, Brian Mann, Law Offices of D. Stephen Parsons, Penney Steen, Susan Wingate.
In Memory of Jack Cabry: Joanne Cabry.
In Memory of William Henry Jaeger: Dave Jaeger.
In Memory of Ronnie Kernehan: Linda A. Henderson.
In Memory of Gideon Rothwell IV: Gideon Rothwell V.
In Memory of Don and Nancy Shope: Shope Financial Consulting, LLC.
In Honor of Ken Sigvardson: Susan Sigvardson.

LIABILITIES AND NET ASSETS

Current Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td>Accounts Payable</td>
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<td>$17,324</td>
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<td>Payroll Taxes</td>
<td>2,043</td>
<td>1,264</td>
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<td>Accrued Salaries and Benefits</td>
<td>24,717</td>
<td>27,019</td>
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<td><strong>Total Current Liabilities</strong></td>
<td><strong>43,413</strong></td>
<td><strong>45,607</strong></td>
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Net Assets

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<th>2016</th>
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<tr>
<td>Board Designated*</td>
<td>115,480</td>
<td>108,076</td>
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<tr>
<td>Invested in Property and Equipment</td>
<td>676,981</td>
<td>684,577</td>
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<tr>
<td>Undesignated</td>
<td>227,792</td>
<td>212,923</td>
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<tr>
<td><strong>Total Unrestricted</strong></td>
<td><strong>1,020,253</strong></td>
<td><strong>1,005,576</strong></td>
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<tr>
<td>Temporarily Restricted</td>
<td>404,624</td>
<td>299,663</td>
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<tr>
<td>Permanently Restricted**</td>
<td>125,000</td>
<td>125,000</td>
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<td><strong>Total Net Assets</strong></td>
<td><strong>1,549,877</strong></td>
<td><strong>1,430,239</strong></td>
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Total Liabilities and Net Assets

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<th>2016</th>
<th>2015</th>
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<tbody>
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<td><strong>Total Liabilities</strong></td>
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<td><strong>1,475,846</strong></td>
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<td><strong>Total Expenses</strong></td>
<td><strong>$1,052,885</strong></td>
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<td><strong>Total Revenue</strong></td>
<td><strong>$1,172,523</strong></td>
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<td><strong>19% Administrative &amp; Operating</strong></td>
<td><strong>$203,207</strong></td>
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<tr>
<td><strong>2% County Grants</strong></td>
<td><strong>$20,000</strong></td>
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<tr>
<td><strong>57% Federal Grants</strong></td>
<td><strong>$670,723</strong></td>
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<tr>
<td><strong>10% Private Grants &amp; Contributions</strong></td>
<td><strong>$120,078</strong></td>
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<tr>
<td><strong>&lt;1% Interest &amp; Investment Income</strong></td>
<td><strong>$9,291</strong></td>
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<td><strong>38% Science &amp; Research</strong></td>
<td><strong>$403,627</strong></td>
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<td><strong>10% Development</strong></td>
<td><strong>$104,670</strong></td>
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<td><strong>10% Watershed Coordination</strong></td>
<td><strong>$102,224</strong></td>
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<tr>
<td><strong>23% Education &amp; Outreach</strong></td>
<td><strong>$239,157</strong></td>
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<tr>
<td><strong>30% State Grants</strong></td>
<td><strong>$352,431</strong></td>
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<tr>
<td><strong>$1,020,253</strong></td>
<td><strong>$1,005,576</strong></td>
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* Endowment Fund ** Protected Land
The 2016 State of the Bays Report was released in November—a compilation of environmental data about the Bays and the surrounding land.

The report, which is published every five years, provides communities, decision makers, and concerned citizens with data to support actions and advocacy for protection and restoration of Inland Bays waterways and watershed.

The report can be viewed online at inlandbays.org. Copies of the report are available at the CIB office.