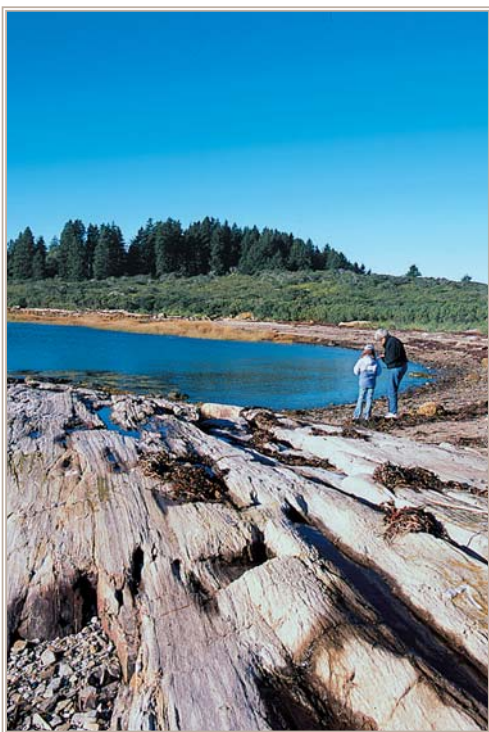


Maine Coast Heritage Trust
A Statewide Land Conservation Organization

2005
Annual Report



© WALLY HANSON

Whaleboat Island, Casco Bay

The land conservation movement has grown exponentially over recent decades, reflecting greater public demand for natural lands and green spaces. Many diverse constituencies are calling for increased land protection: sportsmen and outdoors enthusiasts who seek continued recreational opportunities; business people who recognize that attractive natural settings help draw and retain employees; and farmers, foresters and fishermen who depend upon natural resources. The renewed funding of the Land for Maine's Future Program reflects this broad spectrum of public support. More than 300 groups worked collaboratively to back that bond, which was approved overwhelmingly by Maine voters in November 2005.



Maine Coast Heritage Trust advanced its efforts to protect Pleasant Bay as a "whole place" in 2005, completing seven new projects there.

In part, the popular pressure to preserve more land stems from the recognition that conservation is not keeping pace with development. Across the nation, 2.2 million acres are being developed annually while only 500,000 acres are permanently protected. In Maine, the percentage figures are a little better, thanks to an effective land trust community and committed public leaders. During 2005, for example, MCHT completed 32 projects—including 13 entire islands. Yet the progress Maine has made in recent years, conserving




MCHT conserved 13 entire islands in 2005, including three islands in the scenic Merchant Row archipelago off Stonington.

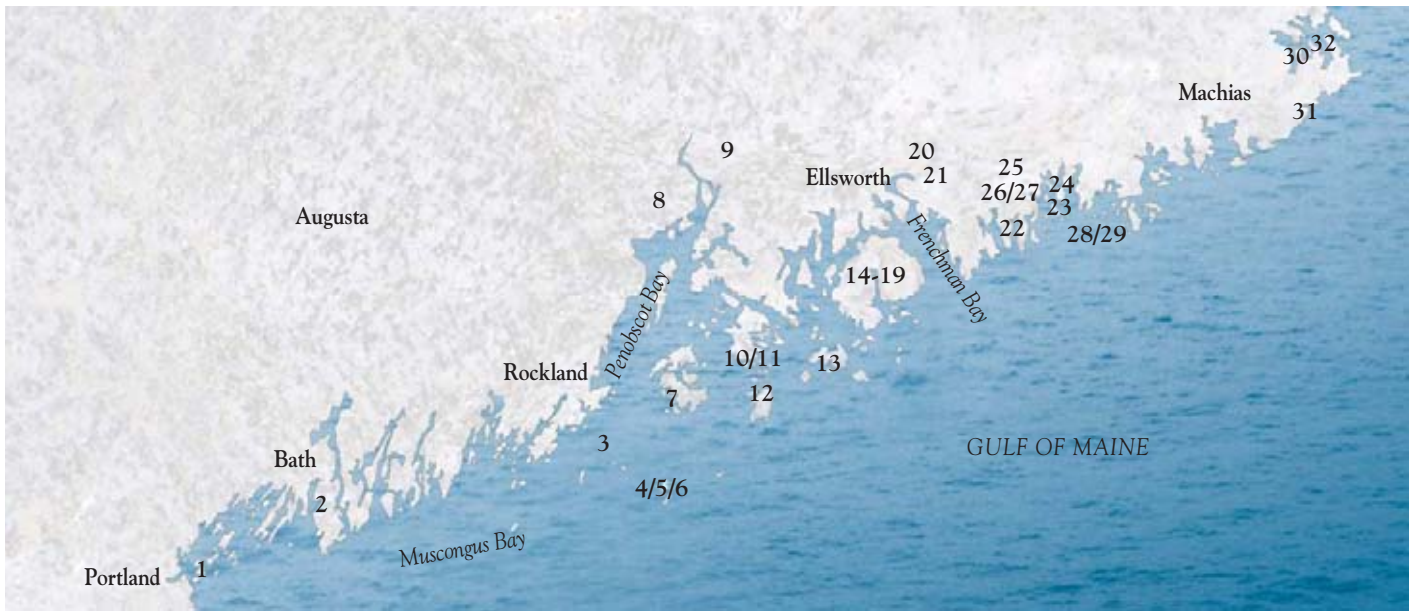
key parcels along the coast and large tracts inland, is likely to slow in the future as rising land values and increasing development pressures make conservation more challenging.

Recognizing that land protection will become more costly and complex, MCHT board members and staff spent time in 2005 thinking about how best to go about our work in the coming five years. We realize that our continued success depends, not just upon working hard, but upon working "smart"—pioneering new means of financing and structuring projects, and broadening our base of support. We also plan to strengthen and expand our partnerships, allowing us to pool resources and concentrate on high-priority areas.

We could not take advantage of these new opportunities without the unflagging support of the Trust's devoted members who recognize the importance of MCHT's mission and entrust us with their gifts. We extend our sincere thanks to each of you for your generosity and vision.


Richard G. Rockefeller, M.D.
Chairman


Jay Espy
President



2005 YEAR IN REVIEW SUMMARY

	Projects	Acres	Shorefront Miles
Gifts of conservation easements	6	756.3	5.7
Gifts of land	6	319.5	1.3
Purchases of land	15	981.3	1.3
Purchases of easements	4	419.6	10.4
Total	32*	2,476.7	18.7

* One additional project involved MCHT transferring title to a property while retaining a conservation easement.

SOUTHERN AND WESTERN MAINE

1 Casco Bay

Maine Coast Heritage Trust completed a project initiated in 2001 to protect 22-acre Cow Island, a popular picnicking destination near Portland. In 2005, the Trust transferred the island's title to Rippleeffect, a youth development organization, while retaining an easement that preserves the island's scenic and recreational values.

2 Phippsburg

Advancing its efforts to protect the Kennebec River estuary, MCHT helped the Maine Department of Inland Fisheries & Wildlife acquire 63 acres of forested upland and shorefrontage bordering Winnegance Creek and Winnegance Marsh. The property affords prime habitat for waterfowl and marsh birds.

4 Maine Coast Heritage Trust



MCHT retains a conservation easement on Cow Island, now owned by a youth development organization that leads educational programs there.

3 Muscle Ridge

Maine Coast Heritage Trust now owns Crow Island, a 10-acre property that has supported a highly productive pair of nesting Bald Eagles for more than two decades. MCHT acquired this island at the southernmost end of the Muscle Ridge archipelago from the nonprofit Island Institute.

4 Matinicus

Through a transfer from the Island Institute, MCHT acquired a seabird-nesting island near Matinicus that is proposed for inclusion in the Maine Coastal Islands National Wildlife Refuge. Two Bush Island supports nesting populations of eiders, gulls and guillemots.



CHRISTINA EPPERSON

A newly protected 71-acre property on Matinicus Island's Southwest Point contains a diverse array of habitats, including an expansive sand beach.

5 Matinicus

A conservation easement given to Maine Coast Heritage Trust prevents future development on 71 acres of forest and fields. The protected property includes nearly a mile of shorefrontage along Southwest Point, with a sandy beach, pocket cobble beaches, and dramatic bluffs.

6 Matinicus

Through an easement donated to MCHT, the owner of an undeveloped 11-acre property on West Point enhanced the conservation values of 66 adjoining shorefront acres protected by easement in 2004. Both easements provide for an expanded community walking trail.

7 Vinalhaven

Maine Coast Heritage Trust received a generous gift of an 80-acre forested property that protects most of the shorefrontage along Otter Pond. The newly conserved property enhances the ecological values of a “whole place” MCHT has worked to protect surrounding the Basin.

8 Searsport

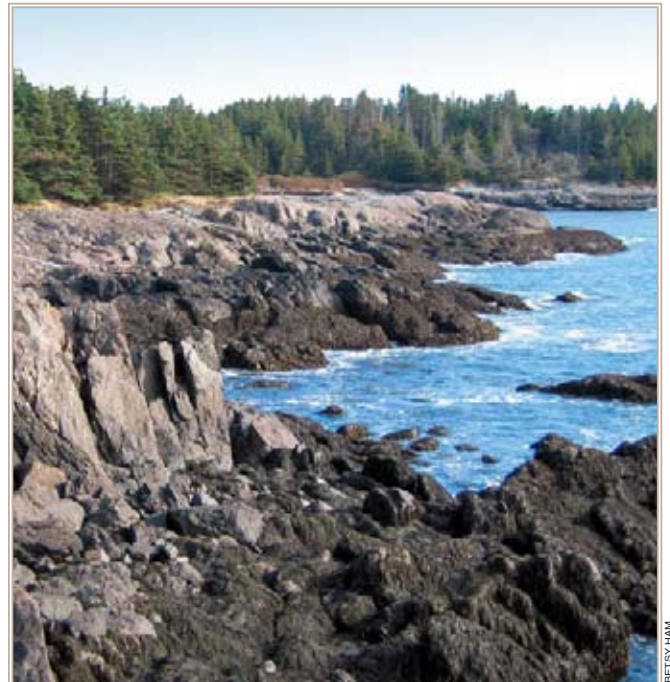
MCHT helped secure the scenic and ecological integrity of a 174-acre hilltop farm. The owners generously donated a remainder interest in the farm to Coastal Mountains Land Trust, which will assume title to the property following the owners' life tenancy.

9 Dedham

With assistance from MCHT, the New England Forestry Foundation acquired a conservation easement on 300 acres of forested upland surrounding Hatcase Pond. The easement prevents development and restricts the land's uses, helping to safeguard local drinking water supplies.

10 Stonington

After receiving in 2001 a partial island interest in The Fort, an undeveloped island in Merchant Row, Maine Coast Heritage Trust in 2005 received another partial interest in this 3-acre island. The Fort will become a preserve for low-impact, daytime recreation.



BETSY HAM

An easement donated to MCHT helps extend an existing community trail bordering this West Point shoreline on Matinicus Island.

11 Stonington

MCHT acquired a 10-acre undeveloped island through a sale well below appraised market value. Sand Island, a popular picnicking destination, will become part of MCHT's growing network of preserves in the Merchant Row archipelago.

12 Isle au Haut

Through the generosity of a charitable trust, MCHT received a scenic, 12-acre island located just north of Isle au Haut. To assure the donors that Bill's Island will remain a natural haven accessible for daytime use, MCHT placed a Declaration of Trust on the island.

13 Swans Island

Big Baker Island will remain undeveloped (save for limited tent platforms) and accessible for low-impact daytime use under the terms of a conservation easement donated to Maine Coast Heritage Trust. This 24-acre island, with an attractive mix of spruce woods and meadows, is a popular picnicking and walking destination for Swans Island residents and is listed on the Maine Island Trail.



Sand Island, which has a long tradition of day use by area residents, will now be an MCHT preserve.

14 Mount Desert

An easement donated to MCHT completes protection of the major shorefront parcels along Somes Pond, a valuable natural asset for the Mount Desert community. The newly protected 62-acre property lies near the Somes-Meynell Wildlife Sanctuary.



Through a donated easement, MCHT secured the last major unprotected parcel remaining along the shorefront of Somes Pond.

15 Mount Desert

The Mount Desert Water District sold to MCHT a conservation easement prohibiting future residential development on 52 acres near Hadlock Pond, protecting a critical wooded tract between Northeast Harbor and Acadia National Park. Community members have long enjoyed the extensive trail network on this Schoolhouse Ledge property, and many of them contributed to its protection.



BRIAN REILLY

MCHT acquired Thomas Island (center) through a generous bargain sale, helping to protect the wildlife values of Mt. Desert Narrows and South Twinnie, a neighboring island owned by the US Fish & Wildlife Service.

16 Bar Harbor

Through a purchase well below market value, Maine Coast Heritage Trust secured a 65-acre island that is prominently visible from the causeway to Mount Desert Island. A National Coastal Wetlands Grant helped fund the purchase of Thomas Island, which is surrounded by 57 acres of prime intertidal wetland habitat.

17 Bar Harbor

A conservation easement now protects the scenic and productive values of a 31-acre horse farm adjoining Acadia National Park. MCHT acquired the easement for less than its market value, helping to make the farm affordable for owners now using the property to care for rescued horses.

18 Bar Harbor

Maine Coast Heritage Trust negotiated a conservation easement on 40 acres in the watershed of Aunt Betty Pond. The newly conserved parcel buffers a 27-acre property within the boundaries of Acadia National Park that the Trust transferred to the Park in 2001.

19 Bar Harbor

MCHT helped a private foundation purchase nearly 2 acres on Otter Cove for future transfer to Acadia National Park. This parcel is one of the last privately held stretches of shorefront on the cove, which is entirely undeveloped and highly visible from Ocean Drive.

20 Franklin

An easement donated to Frenchman Bay Conservancy (FBC) prevents future development on a 567-acre parcel that encompasses a 47-acre pond and extensive freshwater wetlands. MCHT assisted FBC in preserving this tract which can be seen from many vantage points in the State's Donnell Pond Unit.



BOB DEFORREST

Maine Coast Heritage Trust helped the Frenchman Bay Conservancy protect 567 acres surrounding Duck Pond, a scenic 47-acre body of water.

21 Sullivan

Frenchman Bay Conservancy, with support from MCHT and the Land for Maine's Future Program, acquired 500 acres of wetland surrounding Schoodic Bog—a valuable ecosystem at the base of Schoodic Mountain. The newly protected preserve, which is visible from the summit, provides additional access to the mountain's hiking trails.

22 Steuben

Through a sale below market value, MCHT acquired an undeveloped 8-acre island on which bald eagles nest. Sheep Island has supported nesting eagles for 5 seasons, with three young eaglets successfully fledged to date.

23 Harrington

An easement donated to Great Auk Land Trust will protect the prime wildlife habitat of a forested 21-acre island in Pleasant Bay that has supported nesting bald eagles for 26 years. Maine Coast Heritage Trust helped draft the easement which will keep 16 acres on Strout Island's northern end wild, and prevent any future development or subdivision on the southern end.

24 Harrington

Funds from a federal North American Waterfowl Conservation Act (NAWCA) grant and a generous bargain price enabled MCHT to purchase 38 acres of tidal shorefront that supports semi-palmated plovers, black ducks and other water birds. The Pleasant Bay property has been transferred to Great Auk Land Trust for use as a public preserve.

25 Milbridge

Owners of an undeveloped 52-acre property with frontage on the scenic Beaver Meadow Brook salt marsh generously donated their land to MCHT, helping to preserve the ecological integrity of Pleasant Bay and Beaver Meadow Brook. MCHT will transfer the parcel to Great Auk Land Trust in 2006.



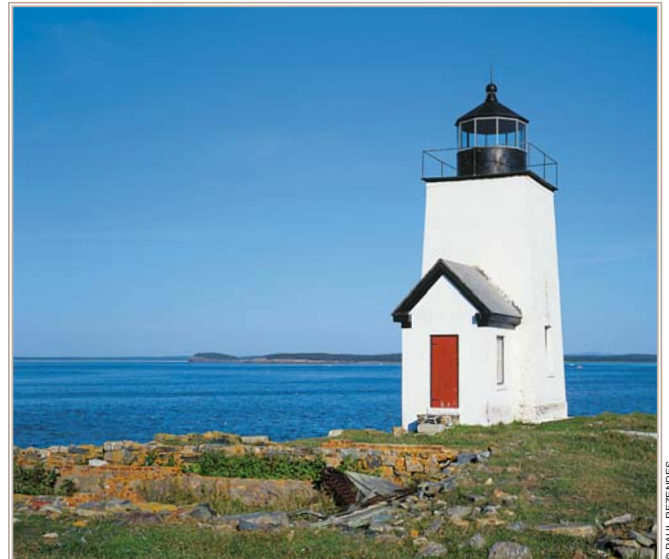
The protection of 80-acre Pinkham Island (background) helps to preserve prime shorebird habitat in Back Bay.

26 Milbridge

Maine Coast Heritage Trust acquired an 80-acre island in Back Bay through a bargain sale (below the land's appraised value). Pinkham Island, once slated for a 15-lot subdivision, supports an active eagle nest and prime habitat for wading shorebirds.

27 Milbridge

To help protect Pleasant Bay, owners of an undeveloped 1.5-acre island off Milbridge donated their property to MCHT. Partridge Island lies near newly protected Pinkham Island in an area that affords valuable habitat for waterfowl and wading birds.



The entirety of historic Nash Island is now protected, through a purchase made by MCHT in 2005.

28 Addison

Through a purchase well below market value, MCHT acquired the remaining unprotected portion of Nash Island (one half was already owned by the US Fish & Wildlife Service) and the adjoining island, the Ladle, off Eastern Harbor in South Addison. Nash Island, with 16 treeless acres, hosted a light station for more than a century and still supports grazing sheep and a colony of eiders, gulls and cormorants.

29 Addison

Maine Coast Heritage Trust purchased a 20-acre seabird nesting island, just east of Nash Island, that supports breeding populations of eiders and gulls and has been used as sheep pasture for more than a century. The Trust will spend several years studying the interactions between sheep and nesting seabirds on Flat Island.

30 Trescott

With financial support from MCHT, Quoddy Regional Land Trust (QRLT) acquired an easily accessible picnic site that is barred at low tide to a QRLT island preserve. The 5-acre property on Raft Cove Point provides opportunities for hiking, picnicking and nature observation on wildlife-rich Straight Bay.

31 Trescott

MCHT acquired 75 acres and 2,600 feet of scenic frontage on the Bold Coast through a generous bargain sale. The property on Moose Cove includes an entire coastal raised peat bog that is of statewide significance.

32 Lubec

A bridge loan and contribution from MCHT, along with funding support from the Land for Maine's Future Program, helped Quoddy Regional Land Trust acquire a scenic 128-acre parcel that has long been used for community recreation. The property, formerly a botanical garden, has more than a mile of shorefrontage on Cobscook Bay.



The newly conserved Pike Lands property in Lubec is a popular destination among local residents interested in wildlife watching and shore walks.

The 2005 Maine Land Conservation Conference offered its 400 participants more than 30 workshops and an in-depth discussion of possible conservation easement reforms.

The Maine Land Trust Network continued to provide professional development opportunities for local land trusts. The Network's Advisory Board completed a 5-year strategic plan that emphasizes direct assistance and increased funding support for land trusts, more regional delivery of programming, and increased emphasis on standards and preparing for accreditation.

Through the L.L. Bean Maine Land Trust Grant Program, Maine Coast Heritage Trust awarded 6 land trusts a total of \$22,750 for organizational development and land protection activities. The Maine Coast Protection Initiative, a cooperative effort to further coastal conservation, also made numerous grants to local trusts.

LAND HERITAGE AWARD

Rangeley Lakes Heritage Trust (RLHT), the winner of MCHT's annual Land Heritage Award, has achieved an impressive list of accomplishments over the past 15 years. "Among all the excellent candidates for this year's award," notes MCHT President Jay Espy, "RLHT stood out as an inspirational model, a strong regional presence that is doing incredible work in protecting valuable lands, educating community members, and taking care of the region's lands and waters."

Since 1991, RLHT has worked to conserve more than 12,000 acres, including 40 miles of lake and river frontage and an



Rangeley Lakes Heritage Trust engages community members through diverse programs involving outdoor recreation and environmental education.

entire mountain. It has taken a lead role in coordinating a regional water quality and invasive plant program, and sponsors a popular environmental education and outdoor recreation program that serves 150 local children each summer.

MCHT's ambitious Campaign for the Coast has generated new stewardship responsibilities for the organization, with the acquisition of 11 new fee properties (including 9 entire islands) and 7 new easements in 2005. The Trust currently holds title to 72 properties and annually monitors 149 easements.

To better meet the growing stewardship demands along the length of Maine's coast, MCHT reorganized its stewardship department to place greater emphasis on regional stewards. The Trust increased its stewardship presence in Merchant Row, a region where it now has seven island preserves. It also hired seasonal caretakers for Marshall Island and purchased 18-foot outboard boats for use by the caretakers at Marshall and Whaleboat islands.

ALDERMERE FARM

Maine Coast Heritage Trust held numerous public programs at its Aldermere Farm property in Rockport that drew hundreds of participants spanning in age from toddlers to seniors. Farm staff sponsored workshops on topics ranging from nature-sketching and natural history to wreath-making and raising beef cattle. The Farm's annual "Calf Unveiling Day" and Annual Art Sale continued to be popular community events.

Volunteers helped to staff most Farm events and programs, running the Visitor Center in summer and assisting with special programs, monthly moonlit ski tours, and "Sap-to-Syrup" operations in the winter and spring. The Farm's Belted Galloway herd garnered several more awards during 2005, including the "National Bull of the Year," the "National Heifer of the Year" and "National Exhibitor of the Year" awards from the U.S. Belted Galloway Society.

Aldermere Farm hosted a number of natural history walks and workshops during 2005, such as a presentation on mammals by Chewonki Foundation staff.



SARAH POST



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Renewed funding in 2005 reinvigorated the State's Land for Maine's Future Program, which has supported numerous coastal conservation projects—including the Trust's acquisition of Whaleboat Island in Casco Bay in 2002.

Maine Coast Heritage Trust helped lead a coalition of 300 organizations that successfully secured renewed funds for the State's award-winning Land for Maine's Future (LMF) Program. The coalition worked with numerous partners to gain the support necessary from state legislators to send a \$12 million LMF bond to voters in November. Maine residents cast their ballots strongly in favor of further land protection, with affirmative votes for the LMF bond exceeding 55 percent in each county and 65 percent statewide.

In partnership with GrowSmart Maine and other statewide organizations, MCHT worked during 2005 to encourage a healthy balance between development and conservation in Maine. MCHT committed to be a lead sponsor of a research report (due out in Autumn 2006) being conducted by the nationally recognized Brookings Institution that examines connections between Maine's development patterns and the state's economic growth.

MCHT worked closely with the Land Trust Alliance to oppose proposals in Congress that would have dramatically reduced—and in some cases eliminated—the tax benefits from donating conservation easements and lands. In early March, MCHT board and staff members traveled to Washington for productive meetings with Maine's Congressional Delegation, and at the end of 2005, it appeared that efforts to sustain the current deductions were successful.

KRESGE GRANT BOOSTS CAMPAIGN FOR THE COAST

The Kresge Foundation of Troy, Michigan awarded Maine Coast Heritage Trust a \$1,000,000 challenge grant for its Campaign for the Coast. To receive this generous grant, MCHT had to raise \$25 million from other sources and recruit regional volunteers to assist with fundraising.

The Kresge grant helped support the Trust's purchase of Marshall Island, a keystone property that has become the symbol of what the Campaign for the Coast seeks to protect. MCHT acquired this 981-acre island through three separate purchases during 2003. "The Kresge challenge grant enabled donors to direct a gift to the campaign as a whole or to a specific property while helping MCHT secure substantial funding for our landmark project, Marshall Island," explains Jonathan Labaree, MCHT's Director of Development.

MCHT exceeded its overall fundraising goal for the challenge grant by mid-summer 2005, through the generous gifts and pledges made to its Campaign for the Coast. "The Kresge grant inspired donors at all levels and motivated our campaign volunteers to reach the critical \$75 million mark by late summer," notes MCHT President Jay Espy. "It was uplifting to have a national organization with the Kresge Foundation's stature supporting our goals."

"Providing a challenge grant to MCHT," reflects Kresge Foundation President John Marshall, "gave us a wonderful opportunity to help protect an exceptional island while simultaneously fostering the Trust's capacity to address some of the key challenges facing Maine's coast."



The Kresge Foundation's generous grant to MCHT helped in its acquisition of Marshall Island, a 981-acre island that was the largest undeveloped and unprotected island remaining along Maine's coast.

FINANCIAL HIGHLIGHTS

PROGRAM REVENUES	2005 Actual
Campaign for the Coast Donations*	\$ 8,503,786
Unrestricted Contributions	942,539
Restricted Contributions/Grants	703,000
Investment Income	
Used for Operations	1,577,640
Other Revenue	30,301
Restricted Revenue from Prior Years	54,472
Totals	\$ 11,811,738

Where do your generous contributions to MCHT go?



PROGRAM EXPENDITURES

Land Protection (82%)	\$ 4,196,996
Stewardship (8%)	415,830
Public Education and Outreach (6%)	302,528
Fundraising (4%)	192,728
Totals	\$ 5,108,082

Restricted Reserves

Donor-Restricted for Campaign for the Coast** \$ 6,703,656

Notes on Financial Information

Maine Coast Heritage Trust is a nonprofit, tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code, a publicly supported organization as defined in Section 170(b)(1)(A)(vi) and not a private foundation under Section 509(a). Contributions are tax-deductible. I.R.S. #23-7099105.

Audited financial statements and opinion letter for 2005 were prepared by Berry, Dunn, McNeil & Parker, CPAs, Bangor, Maine. Copies available upon request.

* Under Generally Accepted Accounting Practices (GAAP), revenue includes contributions pledged but not paid as of year end. This schedule reflects actual contributions received in the year 2005. It does not include outstanding pledges or values of gifts of land.

** Total of restricted reserves gifts dedicated for future land acquisition, stewardship, operating endowments and conservation leadership efforts.

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Margaret M. Rockefeller (1915-1996)

Maine Coast Heritage Trust

www.mcht.org