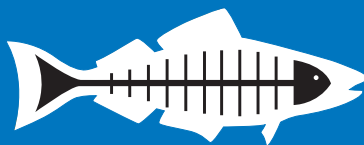


2012 ANNUAL REPORT



Heal the Bay



Heal the Bay is a nonprofit environmental organization

founded in 1985 by a group of Los Angeles residents who couldn't stand to let unchecked pollution and toxicity claim our coastal waters.

Today, our staff and committed groups of volunteers employ sound research, hands-on education, community action and effective advocacy to improve the quality and health of regional oceans, watersheds and neighborhoods.

It's working. Our coastal waters and regional watersheds are improving. Los Angeles area residents are more aware of the connection between our neighborhoods and the ocean. And, as one of the most effective environmental groups in Los Angeles County, we've attracted a membership of more than 15,000 people.



Join us in the fight for clean water.

Learn about how you can volunteer for Heal the Bay at healthebay.org/volunteer

Or renew your membership at healthebay.org/donate

1444 9th Street, Santa Monica, CA 90401 • (800) HEAL BAY

AL THE BAY

[Our Leaders]

Together, we have been dedicated to Heal the Bay's mission for 30 years. From Alix's first Coastal Cleanup Day in 1993, to Stephanie's first Bay Days festival in 2000, we remember when Heal the Bay had a staff of nine dedicated people. Today Heal the Bay employs 48 passionate water quality advocates, and more than 35,000 volunteers who make our work possible. And since the beginning, we've worked hard to make sure 82 cents of every dollar goes directly to protecting our oceans—not to administrative costs.

So where has all this hard work gotten us? In 2012, the support of people like you helped us successfully fight for Marine Protected Areas, like the important habitat off the coast of Palos Verdes and Point Dume. We lobbied for plastic bag bans across the state, winning victories in over 70 cities and counties, including the County of LA. Our Santa Monica Pier Aquarium welcomed more than 15,000 L.A. area students, providing an up-close look at marine life from our bay. We negotiated strong, enforceable pollution limits to help keep you and your family from getting sick at the beach. We helped ban the sale or possession of sharks fins in California. And our dedication to protecting water quality means that this year, 92% of California beaches got an A or B grade in our Beach Report Card in dry weather.

We're proud of what we've accomplished in our time at Heal the Bay. And we are especially proud of the strides we made in 2012, both in protecting our beaches, rivers and creeks, and also our ongoing efforts to run Heal the Bay as efficiently, effectively, and greenly as possible.

In the following pages, you'll read more about some of our specific initiatives and the positive impact they have had on the quality of life for millions of Southern Californians. You'll also hear from some of our volunteers who have committed themselves to protecting what we all love – our beaches and oceans.

We hope that you'll join us as we continue the fight.

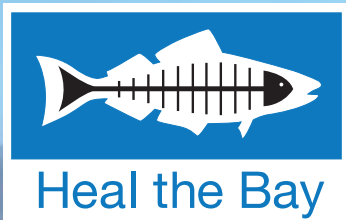
For healthier waters,



Alix Hobbs
Acting Executive Director



Stephanie Medina
President, Board of Directors



[Our Impact]

Science

Marine Protected Areas: Heal the Bay successfully fought to protect key ocean habitat throughout Southern California, meaning more safe places for fish to reproduce and grow.

Malibu Creek Watershed Monitoring: We're continuing our effort to improve the water quality at fabled Surfrider Beach, and protect one of the last remaining open spaces in L.A. County. Our Stream Team regularly tests the water in Malibu Creek, identifying pollution problems and restoring native habitat.

Beach Report Card: For more than 20 years, Heal the Bay's Beach Report Card has been the best way for people to avoid getting sick from dirty ocean water. Thanks to our vigilant advocacy, ocean water quality continues to improve, with 92% of state beaches now getting an A or B grade in dry weather.

Education

Outdoor Education: Our Creek 101 and Creek Week programs bring high school students to local creeks and rivers in the L.A. River and Ballona Creek watersheds to conduct field science. The future health of our environment depends on grooming the next generation of stewards. Many of our students might not get the chance to experience hands-on science in the real world without Heal the Bay's guidance and support.

Santa Monica Pier Aquarium: Heal the Bay's window into the bay educated more than 15,000 Southern California students and 70,000 visitors this year with hands-on science and environmental education. When visitors get up close and personal with the animals that live in the Santa Monica Bay, they leave with a sense of responsibility and love for the ocean.

Barret Porter

is a Westside resident and a certified financial planner in Pacific Palisades. As a member of our Speakers Bureau, he spends his free time giving talks at schools and running beach cleanups.

"When I first started I was worried that Heal the Bay might be this huge powerhouse of an organization, filled with rich folks and millions of dollars, but it's down to earth. Everyone is so pleasant, and not once have I felt that they didn't absolutely believe in what they're doing."



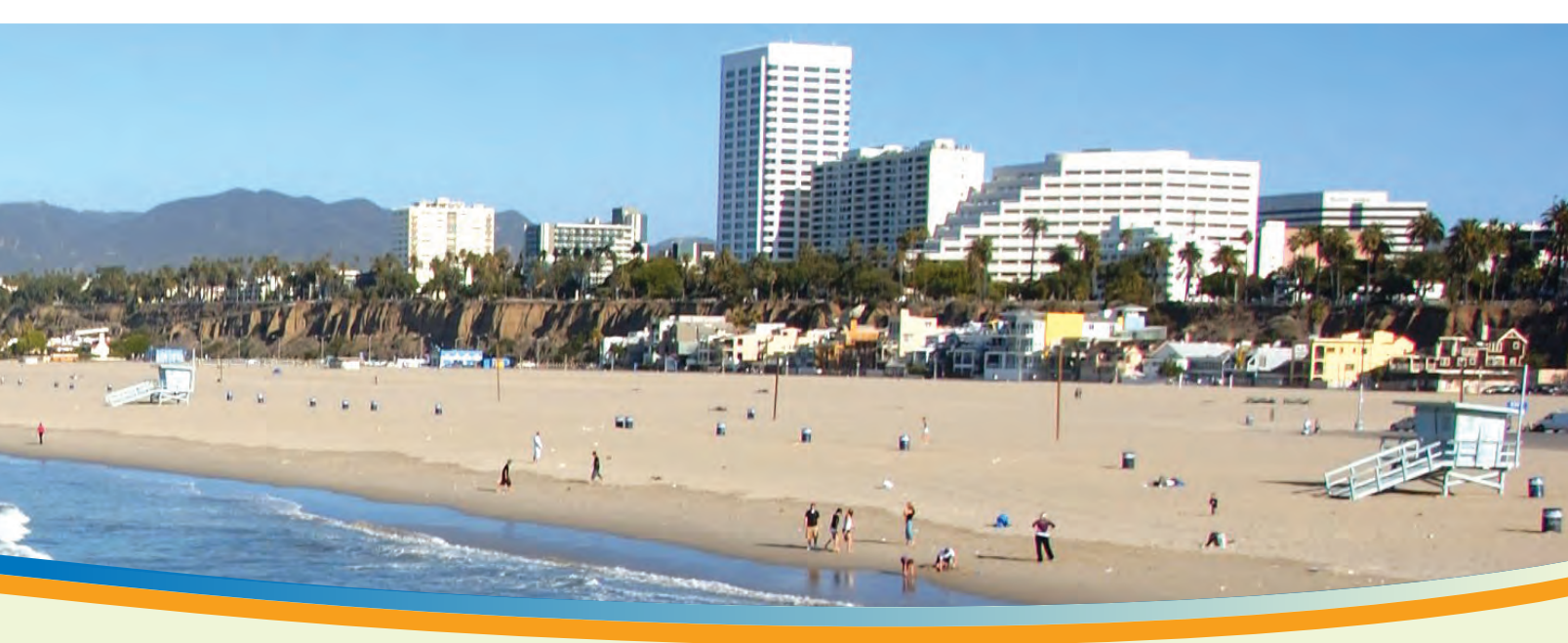
Karen Vu is an aquarist intern at the Santa Monica Pier Aquarium, Heal the Bay's marine education facility. She is a recent graduate of UCLA with a degree in Environmental Science and a minor in Conservation Biology.

"The best thing about working with Heal the Bay is taking care of the animals. Since I work on feeding day at the aquarium, I have a better understanding of how each animal feeds. Feeding is a major way to tell how healthy an animal is, so great to examine these fish to make sure they're eating well and living well. I always enjoy coming into work every week. It's fun to check on each tank to see if there are any new additions or I could be cleaning a tank and suddenly find a new animal that could've been easily mistaken for a piece of debris."



Leslie Hiatt has been a teacher for 30 years. Through our Lunch and Learn program, she brought her third-grade Bell Gardens class on a field trip to Duke's restaurant in Malibu. During Lunch and Learn, the students are given a lesson on ocean science and the environment, spend some time conducting science and playing educational games on the beach, and even get a free lunch!

"Heal the Bay has really instilled in the children a sense of urgency, a sense that we can all do something about the environment. In my class last year, ever Friday we had what we called a beach cleanup, so we'd go around the neighborhood and pick up trash. And today, on the beach, I noticed a lot of my kids just touching the sand. Some of them have never been to the beach, and they're fascinated with the sand. It's a beautiful experience. But what I really like about Heal the Bay is that they understand that my students come from really, really poor homes. And for me to ask them even for \$5 to help pay for a bus... I might have 4 or 5 students who can pay that. So I really appreciate that Heal the Bay always comes through for us with a bus."



Advocacy

Plastic Bag Bans: With our help and support, over 70 cities and counties in California have passed bans or fees on plastic bags, including the County of LA. This means fewer plastic bags littering our parks and neighborhoods, and less plastic choking our ocean, creeks and rivers.

LA County Pollution Limits: We fought for a strong LA County stormwater permit, which puts limits on the pollution that runs from city streets into the ocean. This is the kind of behind-the-scenes work that makes our beaches cleaner for everyone, including the hundreds of thousands of tourists who visit LA every year.

Community Action

Beach and Neighborhood Cleanups: Over 37,000 people came to a Heal the Bay cleanup this year, and many of those were zero-waste. When people bring their own buckets and reusable gloves, we're not creating more waste by using plastic bags to pick up trash. They also bring that environmental ethic back home, becoming environmental ambassadors in their own neighborhoods.

Contaminated Fish: In its 10th year, our EPA-award-winning Angler Outreach Program has educated over 100,000 fishermen to avoid consumption of certain species of contaminated fish caught off local piers and beaches. Some fish, like white croaker, can poison and sicken people who eat too much of them.

[Volunteer Voices]

Dulce Stein is a community advocate and one of Heal the Bay's Super Healer Volunteers. She works tirelessly in her community to educate and inspire people to see the connection between their inland neighborhood parks and waterways, and the ocean.



"I work with a lot of low income families. And these families take the bus to the nearest beach. When they get to the beach, the beach is dirty. And their children are swimming with trash. Our own children. We have to watch out for each other. Every time you pick up a piece of trash, that's a piece of trash that's not in the water."

"I love Heal the Bay. You guys are a blessing. Fighting for the environment or fighting for the world makes you happy inside. We're not going to be very wealthy, but we're going to be happy."

Mary Ann Wilson is a program coordinator for the Osher Institute at UCLA Extension, a certified SCUBA diver, and a volunteer writer for the Catalina Marine Society on the impacts of climate change on our local ocean. She's also a dedicated volunteer for our MPA Watch program, which monitors how people are using newly established marine protected areas.



"As a student in UCLA Extension's Global Sustainability Certificate program, I learned about the legislative effort to create a network of marine protected areas from one of my instructors, Sarah Sikich, Heal the Bay's Coastal Resources Director. It wasn't so much the class content, but her stories of negotiating with stakeholders and the huge effort it took to create the current MPAs that inspired me to get involved."

"One of my favorite parts of working for Heal the Bay has been the number of grey whales I've seen. Once I saw a grey whale and her calf so close to shore, I could almost touch them. My field partner, Elise Kamp, and I also rescued a bird covered with oil and a seal caught in netting."

[Financials*]

Functional Expenses

\$4,530,937.

9% \$412,876.
Admin/Mgmt

10% \$461,315.
Fundraising

81% \$3,656,746.
Programs

Total Revenue

\$4,197,660.

\$2,510,545. **60%**
Public Support

\$1,290,168. **31%**
Grants/Contracts

\$396,947. **9%**
In-Kind

*All financials are from fiscal year 2011-2012

[Donors]

\$50,000+

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California Coastal Commission
California State Coastal Conservancy
Ray Dalio
Edison International
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FOX Fall Eco-Casino Party
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The David Geffen Foundation
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The California Endowment
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Ian & Laurie Eddleston
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 IBM
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 S. Groner Associates
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 Philanthropic Fund
 Ruth Wernig
 West Basin Municipal Water
 District
 Whole Foods Market
 Santa Monica
 Wojahn Brothers
 Yvonne & David Zaro

\$2,500 - \$4,999

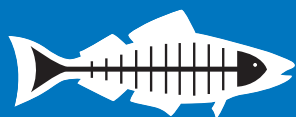
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 213 Ventures
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 Lorena Barrientos &
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 DIRECTV
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 PVH
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 Saban Brands
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 Dora Seiffer
 Sidney Stern Memorial Trust
 Jill Soffer & Gregory Adler
 Swimmer Family Foundation
 Curtis Tamkin
 The Lukens Company
 UMeTime Corporation
 Vision Films
 Water Replenishment District of
 Southern California
 Luann & Bob Williams
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\$1000 - \$2,499

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 Daniel Abrams
 John Ahn
 AmWINS Insurance Brokerage
 of California
 Apple Lane Foundation
 The Banky LaRocque Foundation
 Barry Family Foundation
 Catherine Bauer
 Ambassador & Mrs.
 Frank E. Baxter
 Donald Beane
 Bedhead Pajamas
 Belkin International
 Cammie & Mark Bell
 Laura Berland-Shane
 Melinda & Daniel Berman
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 Bruce Brown Jr.
 Sarah Brown
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 Good Works Foundation
 Google Matching Gifts
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 Grant Thornton
 Green, Hasson & Janks, LLP
 Barry Gribbon

Halper Fine Art
 Lynn Hanson
 Burt Harris
 Jackie & Jim Hassett
 Jami & Klaus Heidegger
 Susannah & Christopher
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 David Hilton
 Pam & Steve Hirsh
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 Daryn Horton
 Mark Howell
 Suzanne Goin, David Lentz &
 The Hungry Cat Santa Monica
 Illumination Entertainment
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 Mariel & John Joliet
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 MGM Resorts International
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 Wynn Miller
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 Meredith Murad
 Sandra Naftzger & Jeff Dritley
 The Natter Family Foundation
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 Rosanne O'Brien
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 The Ocean Foundation
 Palace Head Foundation
 Patrick Molloy's
 Penny Black

Frank Perna Jr.
 Christopher Perrin
 Perry's Beach Cafes &
 Rentals
 The Pillar Family
 The Pillsbury Foundation
 Port of Los Angeles
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 Precision Dynamics
 Corporation
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 Jody & Thomas Priselac
 Darin Puhl
 Rachel Pally, Inc.
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 Kellene West
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 Peg Yorkin
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 Helen Zeilberger,
 Protravel International
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