

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)

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

For the 2009 calendar year, or tax year beginning **2009**, and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization ASSATEAGUE COASTAL TRUST, INC. Number and street (or P.O. box if mail is not delivered to street addr) Room/suite PO BOX 731 City, town or country State ZIP code + 4 BERLIN MD 21811	D Employer Identification Number 52-1250849
		E Telephone number (410) 629-1538
		G Gross receipts \$ 199,214.
F Name and address of principal officer: KATHY PHILLIPS PO BOX 731 BERLIN MD 21811		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If 'No,' attach a list. (see instructions)
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number
J Website: www.actforbays.org		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other	L Year of Formation: 1972	M State of legal domicile: MD

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>TO PRESERVE ASSATEAGUE ISLAND AND LIVING RESOURCES OF THE COAS</u>			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.			
	3	Number of voting members of the governing body (Part VI, line 1a).....		
	4	Number of independent voting members of the governing body (Part VI, line 1b).....		
	5	Total number of employees (Part V, line 2a).....		
	6	Total number of volunteers (estimate if necessary).....		
	7a	Total gross unrelated business revenue from Part VIII, Icolumn (C), line 12.....		
7b	Net unrelated business taxable income from Form 990-T, line 34.....			
Revenue	8	Contributions and grants (Part VIII, line 1h).....	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g).....	389,990.	171,097.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d).....	38,189.	8,398.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e).....	8,180.	1,220.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12).....	22,433.	18,499.
			458,792.	199,214.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3).....		18,381.
	14	Benefits paid to or for members (Part IX, column (A), line 4).....		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10).....	122,567.	129,367.
	16a	Professional fundraising fees (Part IX, column (A), line 11e).....	8,849.	
	b	Total fundraising expenses (Part IX, column (D), line 25)▶ 50,764.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f).....	185,237.	146,693.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25).....	316,653.	294,441.	
19	Revenue less expenses. Subtract line 18 from line 12.....	142,139.	-95,227.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16).....	Beginning of Year	End of Year
	21	Total liabilities (Part X, line 26).....	381,198.	292,954.
	22	Net assets or fund balances. Subtract line 21 from line 20.....	11,037.	7,283.
		370,161.	285,671.	

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
 Signature of officer: Kathy Phillips Date: 4/15/2010
 Type or print name and title: KATHY PHILLIPS

Paid Preparer's Use Only
 Preparer's signature: William A. Russ Date: 04/12/10
 Firm's name (or yours if self-employed), address, and ZIP + 4: WILLIAM A. RUSS
2316 TUCKER LN
BALTIMORE MD 21207-6640
 Check if self-employed: Preparer's identifying number (see instructions): P00529594
 EIN: 52-1939949
 Phone no.: (410) 448-9100

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:

TO PRESERVE ASSATEAGUE ISLAND AND LIVING RESOURCES OF THE COASTAL BAYS.

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

Yes No

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

Yes No

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 \$ 95,006. including grants of \$ 0.) (Revenue \$ 0.)

COASTKEEPER - THIS POSITION PARTOLS MARYLAND'S COASTAL BAYS AND ATLANTIC COASTLINE AND INVESTIGATES INSTANCES OF ENVIRONMENTAL DAMAGE. PLEASE SEE ATTACHED STATEMENT FOR SPECIFIC PROGRAM SERVICE ACCOMPLISHMENTS DURING 2009.

4b (Code:) (Expenses \$ 7,033. including grants of \$ 0.) (Revenue \$ 938.)

FOSTER HORSE - A PORTION OF THE PROCEEDS FROM FOSTER SALES BENEFITS THE PRESERVATION OF THE WILD HORSE POPULATION ON ASSATEAGUE ISLAND WHILE THE BALANCE BENEFITS THE PROGRAMS OF ASSATEAGUE COASTAL TRUST. THIS PROGRAM WAS DISCONTINUED IN 2009.

4c (Code:) (Expenses \$ 16,227. including grants of \$ 0.) (Revenue \$ 0.)

COAST KIDS & EDUCATION - THIS PROGRAM ENCOURAGES GEOGRAPHICAL AND ENVIRONMENTAL AWARENESS OF THE EASTERN MARYLAND SHORELINE. PLEASE SEE ATTACHED STATEMENT FOR SPECIFIC PROGRAM SERVICE ACCOMPLISHMENTS DURING 2009.

4d Other program services. (Describe in Schedule O.)

(Expenses \$ 36,853. including grants of \$ 36,621.) (Revenue \$ 0.)

4e Total program service expenses 155,119.

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	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
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.		X
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II.	X	
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.		
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.		X
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.		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III.		X
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.		X
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.	X	
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	X	
	• Did the organization report an amount for land, buildings and equipment in Part X, line 10? 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 statement for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII.	X	
12A	Was the organization included in consolidated, independent audited financial statement for the tax year? If 'Yes,' completing Schedule D, Parts XI, XII, and XIII is optional.	Yes X	No X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E.		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	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.		X
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 United States? If 'Yes,' complete Schedule F, Part II.		X
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 United States? If 'Yes,' complete Schedule F, Part III.		X
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.		X
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.		X
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.		X
20	Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H.		X

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.	X	
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.		X
23	Did the organization answer 'Yes' to Part VII, Section A, line 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.		X
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, and that was issued after December 31, 2002? If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25.		X
24b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d	Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
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.		X
25b	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.		X
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.		X
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.		X
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):		
28a	A current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV.		X
28b	A family member of a current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV.	X	
28c	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 direct or indirect owner? If 'Yes,' complete Schedule L, Part IV.		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M.		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M.		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I.		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II.		X
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.		X
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.	X	
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.		X
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.		X
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.		X
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.	X	

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Form 990 (2009)

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1 a	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable.		
1 a			3
1 b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1 b			0
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2 a	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		
2 a			5
2 b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to file this return. (see instructions)			
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3 b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O		
4 a	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)?		X
4 b	If 'Yes,' enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5 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?		
6 a	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?		X
6 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?		
7 Organizations that may receive deductible contributions under section 170(c).			
7 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?		X
7 b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7 d	If 'Yes,' indicate the number of Forms 8282 filed during the year.		
7 e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7 f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7 g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7 h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
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?		X
9 Sponsoring organizations maintaining donor advised funds.			
9 a	Did the organization make any taxable distributions under section 4966?		X
9 b	Did the organization make any distribution to a donor, donor advisor, or related person?		X
10 Section 501(c)(7) organizations. Enter:			
10 a	Initiation fees and capital contributions included on Part VIII, line 12		
10 b	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11 Section 501(c)(12) organizations. Enter:			
11 a	Gross income from other members or shareholders		
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12 b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year		

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

Section A. Governing Body and Management

	Yes	No
1 a Enter the number of voting members of the governing body.....		
1 a 19		
b Enter the number of voting members that are independent.....		
1 b 19		
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?.....	X	
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?.....		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?.....		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?.....		X
6 Does the organization have members or stockholders?.....	X	
7 a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?.....		X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?.....		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?.....	X	
b Each committee with authority to act on behalf of the governing body?.....	X	
9 Is there any officer, director or 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.....		X

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

	Yes	No
10 a Does the organization have local chapters, branches, or affiliates?.....		X
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?.....		
10 b		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?.....	X	
11 A Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12 a Does the organization have a written conflict of interest policy? If 'No,' go to line 13.....	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?.....	X	
12 b	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done.....	X	
12 c	X	
13 Does the organization have a written whistleblower policy?.....	X	
14 Does the organization have a written document retention and destruction policy?.....	X	
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.....	X	
b Other officers of key employees of the organization.....	X	
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?.....		X
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?.....		
16 b		

Section C. Disclosures

- 17** List the states with which a copy of this Form 990 is required to be filed Maryland
- 18** Section 6104 requires an organization to make its Forms 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.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
 ► KIMBERLY FEHRER PO BOX 731 BERLIN MD 21811 (410) 629-1538

