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2013

INVEST *in* MAINE

REPORT TO THE COMMUNITY
2012-2013

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WE BELIEVE



What is our plan for the future? On the eve of the Maine Community Foundation's 30th anniversary, the board and the staff resolved to answer this question about our direction over the next decade.

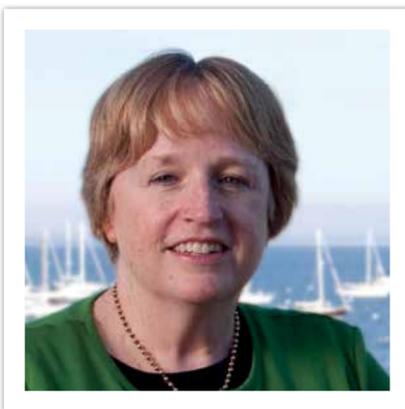
Through a process that included interviews with leaders across Maine, current and former board members, and some of our donors, we created a plan for the future that focuses on three core areas of impact: leadership, education, and place. This annual report offers a few examples of our current work in these areas, from training citizen journalists to increasing access to education and preserving special places. Of course, you, our donors and partners, make this work possible.

We believe that by using our wide-reaching resources and expertise, the community foundation can move Maine forward toward increased prosperity. We believe that Maine can be a place where every person enjoys a high quality of life. We also believe Maine can be a magnet, drawing a diverse population to its communities—both urban and rural—throughout the state.

Most importantly, we believe that you can help us by investing in Maine.

Meredith H. Jones
Meredith H. Jones, *President and CEO*

Eileen Epstein
Eileen M. L. Epstein, *Chair, Board of Directors*



OUR PURPOSE, VALUES AND GOALS

The Maine Community Foundation's core purpose is to work with donors and other partners to improve the quality of life for all Maine people.

The community foundation is committed to serve all of Maine: demonstrate respect for people and places; achieve quality and integrity in everything we do; and remain non-partisan.

Over the coming decade the Maine Community Foundation will help develop a thriving economy by advancing three broad goals:



LEADERSHIP

Mobilize people and resources to effect positive change for Maine.



EDUCATION

Increase post-secondary degree and credential attainment rates.



PLACE

Help communities and the environment flourish.

Cover photo: A student examines a specimen through a microscope during a LabVenture! trip to the Gulf of Maine Research Institute in Portland. To learn more about LabVenture! and GMRI's campaign to increase science literacy across Maine, please see the story on page 8. Photo courtesy of GMRI.



THE BOOMER REPORTING CORPS: CITIZENS, JOURNALISTS, LEADERS

Maine is fortunate to have older educators, businesspeople, artists, researchers, health care professionals, and others who are making significant contributions to addressing the needs of communities across the state. Thanks to the Boomer Reporting Corps, a group of these experienced citizens are stepping into the role of media makers.

A program of the University of Maine Center on Aging and the community foundation, the Boomer Reporting Corps (BRC) was launched in 2012 with support from a Community Information Challenge grant from the John S. and James L. Knight Foundation. The BRC builds on the framework of

the Encore Leadership Corps, which is providing older adults with key leadership training across Maine. ENCorps members are incorporating citizen journalism techniques into their volunteer work and local community leadership projects.

As Bill Kuykendall, senior lecturer in new media at the University of Maine, notes, citizen journalists "play increasingly important roles throughout the world by keeping community members informed about important local events and issues." BRC participants are introduced to the latest in digital resources and social media. "Although our curriculum is ambitious," Kuykendall reports, "the response has been enthusiastic." The workshops are supplemented by online slideshow and video tutorials, as well as a social networking site featuring more than 300 links to resources.

The Boomer Reporting Corps is showing Maine citizen journalists how they relate to counterparts throughout the world. "Citizen journalism is a response by aware and concerned individuals to the declining ability of legacy media—daily community, regional, and national newspapers, magazines, radio and TV stations—to provide informed, fair, and consistent coverage of the increasingly complex issues of our day," Kuykendall states. "Never before have our towns, states, and nation needed this kind of engagement more."

Above: Sun Media Group Director of New Media Tony Ronzio gives a presentation on citizen media, its origins, methods, and meanings at a Boomer Reporting Corps workshop in Augusta. Photo courtesy of Bill Kuykendall.

Below: Legislators visit the UPM Madison Paper mill, located in the Somerset County town of Madison. Photo courtesy of Maine Development Foundation.

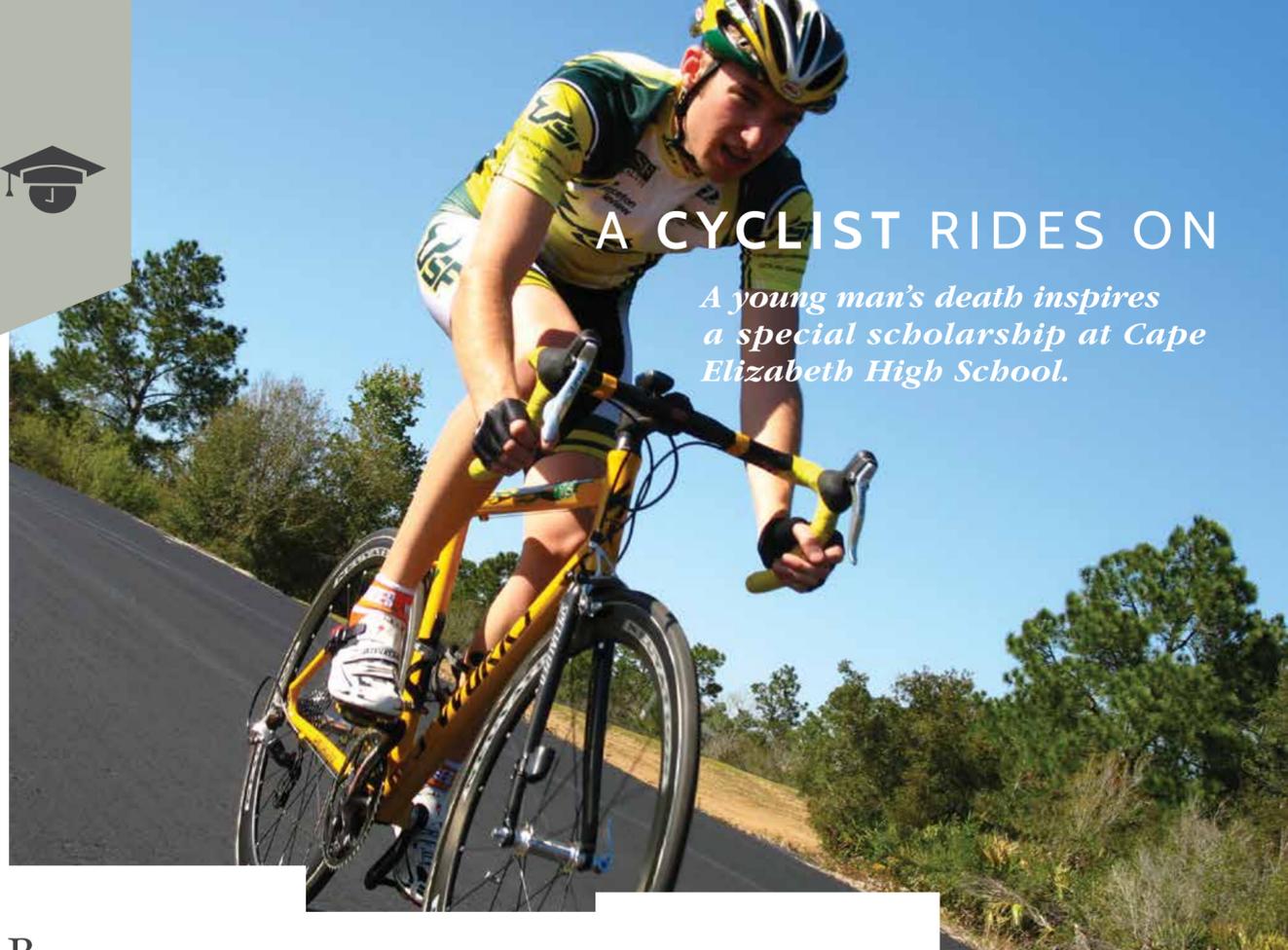
On the Bus to an ECONOMIC EDUCATION



One of the ways the community foundation effects positive change in Maine is by supporting organizations and programs that train the state's future leaders and policy makers. These include the Institute for Civic Leadership (which is celebrating its 20th anniversary in 2013) and the Maine Development Foundation's Policy Leaders Academy.

The Policy Leaders Academy has been providing non-partisan experiential educational programs for Maine legislators since 1985. Through an annual bus tour and several policy forums, participants learn about the drivers of long-term growth and the impact of public policy decisions on businesses and regional economies.

The 2013 bus tour took a group of more than 75 legislators through three counties in central and western Maine. The Maine Development Foundation partners with the Maine Community Foundation, the Maine Health Access Foundation, and the University of Maine System to deliver this program.



A CYCLIST RIDES ON

A young man's death inspires a special scholarship at Cape Elizabeth High School.

Bicycling was Joshua Kuck's passion. As a student at the University of South Florida, he raised \$15,000 to launch a collegiate-level cycling team. And that team cherished its leader. Kuck's family back in Maine only discovered this after tragedy struck: on October 21, 2007, while riding with his team to complete the final leg of the Hilly Hundred, Kuck was

hit by a truck and killed near Tampa Bay. He was 22 years old.

Through the Maine Community Foundation, Kuck's mother, Prudence Todd, and stepfather, Dana Temple, created a scholarship at Cape Elizabeth High School where Joshua graduated in 2003. Each year, a student from the graduating class who is most like Kuck has been chosen to receive a scholarship to the college of his or her choice.

As Temple describes it, the student selected is someone "with a go-your-own-way approach to life, who has something they absolutely have to do." The first recipient, Colby Pearson, wanted to be near the ocean, to surf, and to travel. He went to The Landing School in Arundel and then took a position on a sloop sailing around the world. "When Colby comes home," Todd says, "he always comes to see us."

"There's so much energy generated by this kind of a tragedy—you need

to do something positive," Todd observes. "Dana and I find some degree of comfort in supporting this scholarship in Joshua's name," she says, adding, "We can't think of a better tribute than to have people in his high school speaking his name a hundred years from now."

Above: Joshua Kuck, member of the USF Cycling Team. Photo courtesy of Prudence Todd and Dana Temple.

Below: Former Principal Ayesha F. Arag-Davis, left, presents 2013 Maine Teacher of the Year Shannon Shanning with flowers at a surprise assembly at the Bruce M. Whittier Middle School auditorium. Photo courtesy of Jose Leiva/Sun Journal.

Advocates for EDUCATION



Maine workers need post-secondary education if the state is to remain competitive in the national and global economy. The community foundation is working with Educate Maine to make this happen.

Educate Maine sponsors three programs: The Harold Alfond College Challenge, which provides a \$500 grant for each baby born in Maine to start a savings account for education beyond high school; Maine College Transitions, which supports adults returning to post-secondary education; and Project>Login, which strives to double the number of computer science and information technology degrees in four years.

The business-led organization also administers the annual Maine Teacher of the Year Award, which recognizes an outstanding teacher who advocates for the teaching profession, education, and students. The 2013 Teacher of the Year, Sharon Shanning, from the Bruce M. Whittier Middle School in Poland, is the first special education teacher to be honored in the award's 59-year history.



BAYER AND BRESLOFF: LIVES OF CARING

The Fayette, Maine, couple practice "entrepreneurial giving."

On a bright afternoon in January, Mary Bayer stirs homemade carrot soup in her log home just a few paces from Lovejoy Pond, in the central Maine town of Fayette. Nearby, her husband Leon Bresloff loads logs into a wood-burning stove set into a dramatic two-story chimney built from massive granite stones.

The quiet of this day belies years of intense work filled with care, concern, and travel—work that doesn't seem to have ended despite the couple's retirement in 1997.

Bayer and Bresloff are registered nurses who found their separate ways from Chicago to western Maine in 1971. They met while Bresloff was taking care of his first wife, who was dying from Hodgkin's lymphoma, and connected through a mutual belief in the importance of a respectful death in a home environment. When they married, they began exploring ideas of patient-centered health care, ultimately building a number of long-term care facilities in Maine.

When the couple decided to sell their share of the nursing facilities, their advisor suggested they contact the Maine Community Foundation. Bayer and Bresloff established a donor-advised fund, through which they support many of their long-standing interests, as well as their newfound passion for the environment.

Bayer and Bresloff believe in entrepreneurial giving. "We were looking at projects that needed a little bit of help to get started, and then could get on by themselves," says Bresloff. Their current focus is the Kennebec Land Trust, which is seeking national accreditation. To achieve that goal, the land trust needed additional staff—often a hard sell for donors, who generally prefer supporting projects rather than people. Not so Bayer and Bresloff. "We have always understood that organizations need money to get work done," says Bresloff.

"We enjoy working with the Maine Community Foundation," Bayer says. "They track what we're doing and give us feedback." But their trust goes deeper. "Recently we decided that when the last of us dies, all our money will go to the community foundation," says Bayer, adding, "I don't think we would have done that had we not had a donor-advised fund."

Above: Mary Bayer and Leon Bresloff at the Kennebec Land Trust's Parker Pond Headland Preserve. Photo Jane Davis.

Below: A relief sculpture by Tom Cote depicts maple sugaring season. Photo courtesy of the artist.

Creating Communities THROUGH CULTURE



When downtown storefronts are occupied with a diverse array of shops, art galleries, and eateries, quality of life improves, cities and towns become more walkable, and residents are inspired to continue making positive change. The Maine Downtown Center has focused on revitalizing communities since 1999. Today, it serves 30 towns and cities in all 16 counties.

Madawaska has been a Maine Downtown Network community since 2010. This town on the Canadian border will be a host to the 2014 World Acadian Congress, a three-

week celebration of Franco-American heritage and culture—and a huge economic boost to the region.

Congress planners wanted art to help tell the story of the Acadian people. The community foundation's Aroostook County Fund provided grant support to commission master wood carver Tom Cote from Limestone to create eight wood relief sculptures depicting events of significance to the region. The sculptures will be unveiled next August when the festivities begin.

PARTNERS FOR PROSPERITY: OUR COUNTY COMMITTEES

The Maine Community Foundation prides itself on its statewide reach, but its ability to be active on such a scale depends on partners. Key to ensuring impact across the state are the foundation's county committees, local leaders committed to building vibrant communities. These on-the-ground advisors review grant applications, consult with local nonprofits, and help build financial resources for their regions by working with donors, professional advisors, businesses, and schools.



COLLEGE, COMMUNITY, AND CULTIVATION

The Maine Community Foundation had its origins in Hancock County and, more specifically, on Mount Desert Island. There, Edward Kaelber, founding president of College of the Atlantic, and several charitably minded islanders generated the idea for a statewide community foundation that would be a permanent resource for the State of Maine.

This year the Hancock County Committee is marking its tenth year of grantmaking. One of the 25 grants it awarded in 2012 helped support the creation of a second community garden at College of the Atlantic, which is open to Mount Desert Islanders.



KEEP ON TREKKING

The Knox County Committee has served the communities of the midcoast for two decades. Over the past several years, the committee has helped support Trekkers, an outdoor-based mentoring program that offers adventure-based education. A 2012 grant helped expand the "Advanced Trekkers" program for 8th grade students.

Above: College of the Atlantic students prepare the community gardens on the Bar Harbor campus. Photo courtesy of COA.

Left: Trekkers' "Team Griffin" celebrates 4th of July at a Pittsburgh Pirates game in PNC Park following nine days hiking in the Green Mountains, visiting a solar farm in Vermont, spelunking in West Virginia, and visiting a Zen Center in Pennsylvania. Photo courtesy of Trekkers.

Bottom: Pat Weigel, president of Norway Savings Bank, presents a check to (left) Bill White, vice chair, and John Todd, chair, of the Oxford County Committee.



BETTERMENT IN OXFORD



In honor of the Oxford County Fund's 15th anniversary, The Betterment Fund has offered a \$35,000 challenge grant to help raise its endowment to more than \$500,000. A \$5,000 contribution from Norway Savings Bank provided a significant boost to the campaign, which runs through 2013. Since its formation in 1997, the Oxford County Committee has awarded \$328,597 in grants to more than 80 organizations.

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2012 FINANCIAL SUMMARY

Maine Community Foundation assets gained significant ground in 2012, thanks to advancing markets and new gifts. The community foundation surpassed the \$300 million mark for the first time while awarding nearly \$18 million in grants and scholarships. The following chart provides financial figures as of December 31, 2012, with comparative information for the preceding year.

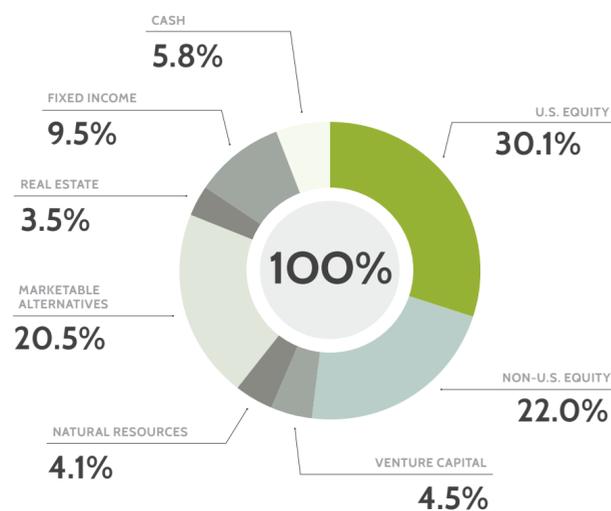
Financial Highlights for the Fiscal Years Ended December 31, 2012 and 2011

	2012	2011 (audited)
Assets		
Donor-advised funds	\$120,587,471	\$108,575,140
Endowment funds held for nonprofit organizations	47,223,388	39,556,857
Funds designated to specific organizations	53,472,695	46,293,711
Field-of-interest funds	54,033,001	49,229,897
Scholarship funds	24,939,312	23,363,014
Charitable Gift Annuities and other planned gifts	5,234,855	6,069,995
Special programs	326,554	400,729
Supporting Organizations	8,035,666	7,488,437
Operations	3,666,023	3,274,422
Total Assets	\$317,518,965	\$284,252,202
Gifts Received and Additions to Endowment Funds		
Donor-advised funds	\$11,504,837	\$19,913,797
Endowment funds held for nonprofit organizations	5,073,082	7,329,595
Funds designated to specific organizations	2,322,619	10,954,184
Field-of-interest funds	1,214,844	1,848,965
Scholarship funds	1,305,037	1,077,392
Charitable Gift Annuities and other planned gifts	225,905	910,298
Special programs	191,135	292,755
Supporting Organizations	0	0
Operations	4,355	4,120
Total Gifts and Additions to Endowments	\$21,841,814	\$42,331,106
Grants Paid and Distributions from Endowment Funds		
Donor-advised funds	\$9,544,622	\$9,872,158
Endowment funds held for nonprofit organizations	1,928,695	875,500
Funds designated to specific organizations	2,186,634	2,944,173
Field-of-interest funds	1,915,728	2,401,850
Scholarship funds	1,706,978	1,529,704
Supporting Organizations	284,915	506,964
Other grants	258,500	301,413
Total Grants and Distributions from Endowments	\$17,826,072	\$18,431,762

The annual audit of the 2012 statements was not complete at the time of the printing of this report. If you would like an audited financial statement, please contact Vice President and Chief Financial Officer James Geary by email, at jgeary@mainecf.org, or by phone, at 1-877-700-6800. You can also visit www.mainecf.org to view audited financial statements, tax returns, and to learn more about the community foundation's investment program.

Investment Performance

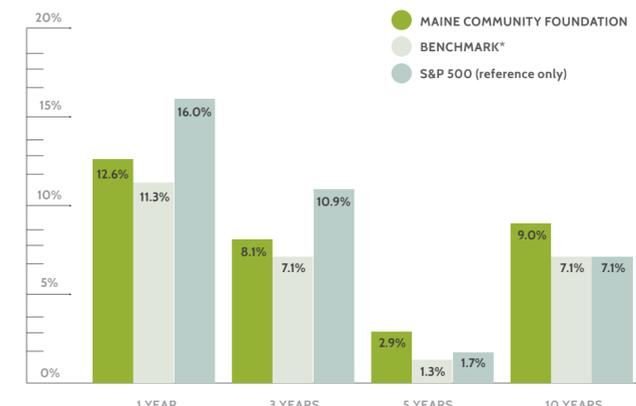
Effective stewardship of philanthropic assets is the key to building permanent charitable funds to strengthen Maine communities. While the past decade has been especially challenging for investors, the community foundation has enjoyed an outstanding record of risk-adjusted returns, annualized in the top quartile of more than 450 endowments and foundations as reported by Cambridge Associates.



A Diversified Portfolio

The goal of the Maine Community Foundation investment program is to preserve and enhance the real value of assets over time. To help accomplish this goal, the community foundation maintains diversified asset allocations and utilizes more than 30 different investment managers who employ a broad array of strategies and span the globe.

Additional financial and investment information is available at mainecf.org.



*From 12/31/1993 to 9/30/2005, the benchmark was 55% Wilshire 5000 Index, 30% Lehman Brothers Aggregate Bond Index, and 15% Morgan Stanley Country Index World except US. Starting 10/1/2005 the benchmark is 35% Wilshire 5000, 15% MSCI World ex U.S., 5% MSCI Emerging Markets, 10% Real Assets Blend (BIO) DJ REIT Index, 25% Goldman Sachs Commodity Index, 25% MSCI World Natural Resources Index, and 20% LB US TIPS index, 20% HRFI (Hedge Fund Research Inc.) Composite, and 15% Lehman.

4 WAYS YOU CAN INVEST IN MAINE

NEW FUNDS

This sampling from the 52 new funds established at the Maine Community Foundation reflects the statewide breadth of our philanthropy.

BROOKE R. ASTOR FUND

To assist high school programs that best prepare the children of Mount Desert Island for productive careers

CALKINS-WALTON ANNUAL SCHOLARSHIP

To provide assistance to students from Lubec attending a post-secondary college or technical school

BERNARD AND SANDRA FEATHERMAN FUND

To benefit nonprofit organizations, especially in Maine

MAINE EARLY LEARNING INVESTMENT FUND

To increase the education and skill levels of Maine people by ensuring that all children start kindergarten ready to succeed in school, work, and life

EDWIN AND ELEANOR SWAIN SCHOLARSHIP

To support graduating seniors in Oxford and Franklin counties in their pursuit of post-secondary education, with preference given to studies in the sciences, engineering, or computer science

TOWN OF ISLESBORO FUND

To support the continued and long-term preservation of the Islesboro Health Center

DONALD AND LINDA ZILLMAN AND FAMILIES PROFESSORSHIP

To recognize a tenured faculty member at the University of Maine, Presque Isle, who has demonstrated excellence in his/her field

To find out how you can start a fund at the community foundation, visit the "For Donors" section at www.mainecef.org.

1 NAME YOUR PASSION

Thinking about starting a family or corporate foundation? A donor-advised fund, named or anonymous, may be a tax-advantaged and convenient alternative. A scholarship, a fund to support a favorite organization or a particular cause—there are many ways to partner with the community foundation to fulfill your passions through philanthropy.

2 GO LOCAL, REGIONAL, STATEWIDE

Strengthen communities by supporting the community foundation's statewide grantmaking or one of our county and regional funds. Pool your giving with others to fund nonprofits in a wide range of fields. Community leaders across Maine help us make the most of these grant dollars.

3 LEAD WITH US

The community foundation's Critical Issues Fund helps build a strong economy in Maine by expanding access to higher education, creating thriving communities, and supporting leadership programs. Looking to the future, the Invest in Maine Fund allows the foundation to be flexible in the face of change.

4 GIVE TO THE FUTURE

Your legacy can be shaped to support the causes you care about now, while providing financial and estate savings. The Maine Community Foundation stands ready to partner with you.



AN ENDOWMENT STORY: SHARING SCIENCE STATEWIDE

The Gulf of Maine Research Institute has been enhancing science learning and teaching in Maine for more than 25 years. Through a variety of programs designed for students in grades 5 through 8, the Institute motivates kids to become lifelong science learners—and gives their teachers tools to expand classroom practices. GMRI works with businesses and foundations to ensure that its programs are available free of charge; it even provides special buses to transport students to the lab.

Above: The LabVenture! program brings fifth- and sixth-graders from across the state to the Gulf of Maine Research Institute's Portland lab, where they have a chance to go on virtual fishing trips and use research tools to solve science mysteries. Photo courtesy of GMRI.

To provide this critical resource for Maine students and teachers in perpetuity, GMRI established the GMRI Science Literacy Fund at the Maine Community Foundation. The endowment will feature a fund for each of Maine's 16 counties, plus a statewide Science Literacy for Maine fund.

"While we recognize the Maine Community Foundation as an exceptional endowment manager," says Donald Perkins, GMRI's president and CEO, "we are particularly compelled by the impact that the foundation achieves through its county funds. This statewide reach mirrors our own aspirations."



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