



Fiscal Year 2020

Investment Report



Investing *in* Maine's Island and Coastal Communities

GOAL

Effective stewardship of invested assets is the key to the Island Institute's ability to fulfill its mission. The investment goal is to preserve and grow the value of these assets over time to provide operating income consistent with donor intent.

OVERSIGHT

The Island Institute's Board of Trustees has designated the Finance Committee to act as the Investment Committee for the invested assets. The Investment Committee sets investment strategy, hires outside professional managers, and monitors investment performance against financial benchmarks. Goldman Sachs provides strategic advice and investment management through a team located in Boston, specializing in not-for-profit organizations.

STRATEGY

The Institute's long-term investment strategy calls for a portfolio diversified across United States domestic and global assets classes. A diversified portfolio reduces the impact of individual market volatility and helps control risk. We are proud to have largely divested from investments in the securities of carbon-producing products.



Dear Investor,

On behalf of the scholarship students, Island Fellows, small business owners, and other island and coastal community partners served through your endowment investment, thank you. Enclosed you will find our Fiscal Year 2020 Investment Report. This report is based on our assets, income and expenses from July 1, 2019 to June 30, 2020, and highlights stories from several of the beneficiaries of your philanthropy.

Your contribution to an endowed fund helps us to work with a predictable revenue source that allows timely responses to the emerging needs in our island and coastal communities. We are grateful for all investors, including those who provide flexible support to meet general operating needs and those who invest in program areas with personal or local meaning, like scholarships and Island Fellows. This year, with the passing of former trustee Horace “Hoddy” Hildreth, we pause to express our gratitude to those who’ve helped build our Board Designated fund with thoughtful planned gifts. Hoddy’s legacy will continue to find ways to empower local leaders and build resilient communities.

The 2020 fiscal year return on investment added \$383,000 to our invested funds. We withdrew \$986,000 of our invested funds to support programs and operations which amounts to roughly 14% of our Fiscal Year 2020 expenses. The annual spending rule draw amount is subject to policy and methodology that factor in long-term market performance trends, allowing for consistent financial support each year. Your continued support and investment growth allow us to respond to a changing world and challenges for the Maine coast.

Additionally, we worked with our investment advisory firm, Goldman Sachs, to strategically liquidate \$500,000 from invested Board Designated funds at the outset of the COVID-19 outbreak. Liquidation of these funds provided a hedge against market responses which came to pass in spring 2020, while allowing Island Institute to maintain a strong cash position during times of uncertainty.

We welcome your suggestions as to how we can keep you informed of the impacts of your gifts. Feel free to contact Pete at prand@islandinstitute.org or call at 207-594-9209 x124.

On behalf of the Island Institute staff and Board of Trustees, thank you for supporting our efforts to build thriving communities and a thriving coast.

With gratitude,



Doug Henderson
Chair, Finance Committee



Peter Rand
Chief Financial Officer

Tom Glenn Community Impact Fund

**FY19 ENDING
ENDOWED BALANCE**
\$1,568,138

Endowment
Additions.....\$1,019,990
Returns.....\$(1,657)
Allocation.....\$(22,148)*

**FY20 ENDING
ENDOWED BALANCE**
\$2,564,323

**The Glenn Fund was
officially launched in
July of 2019 and
consolidated Island and
Coastal Innovation Funds
with new investments;
distributions began in
Fiscal Year 2020.*

The Tom Glenn Community Impact Fund links our programming and grantmaking together and serves as a catalyst to build a more diverse coastal economy. The fund was established through a grant from The Wilbur and Hilda Glenn Family Foundation to honor Tom Glenn II and his lifelong commitment to strengthening Maine's island and coastal communities.

The Tom Glenn Community Impact Fund provides capital investment through an array of grants, loans, and equity support for small businesses and community infrastructure projects. Our Glenn Fund grants and loans support aquaculturists and fishermen, artists and makers, small businesses and entrepreneurs. The Tom Glenn Fund Community Impact Fund also serves as the umbrella for our other grantmaking programs, including Spark! Energy grants, Shore Up sea level rise planning grants, and funds for community-based broadband initiatives.

The Glenn Fund has incorporated the holdings and activity of the former Island and Coastal Innovation Fund (ICIF), a community development fund generously funded through several Program Related Investments (PRI's). Founded in 2011, ICIF provided support in the form of business loans and targeted equity investments which foster business development and creativity in Maine's coastal communities. The work of ICIF is now being carried on through the Tom Glenn Community Impact Fund and will continue to provide vital support to coastal Maine's small business community.

A number of other important grant programs now operate under the banner of the Glenn Fund. For example, in March 2020, we created our Business Resilience Grants program in response to the impacts of COVID-19 on the small business community. Since then, 48 Business Resilience Grants of up to \$1,500 each have been awarded. This grant program is funded by a generous \$100,000 gift from a valued and long-standing supporter. Other gifts are made to the Tom Glenn Community Impact Fund which are not endowed gifts and may be spent in the form of grants and loans. These gifts are not reflected in the endowment fund activity shown on this page and serve to multiply the impact of the Glenn Fund on the coast of Maine.

SPOTLIGHT

Union Hall, Jamien Shields & Josh Ryan North Haven, Maine



When Jamien and Josh bought North Haven Island's only remaining Grange building, they had solid plans for a coworking space with an eventual apartment upstairs. The couple had determined that there was a need on the island for a place to work that shared certain infrastructure needs like reliable internet, quiet areas, and basic office equipment like a copy machine. With coworking spaces popping up worldwide, it seemed perfect for the space and the needs of the community which expands in the summer months. Then the Covid-19 pandemic hit. With social distancing rules in place at the state and local level they weren't sure what to do. They also discovered that more people were leaving communities with higher infection rates and coming to their summer homes earlier (and planning to stay later), but how could they take advantage of this need for temporary office space? After some research, they realized that if they could build and install free-standing plexiglass shields, they would provide barriers that were needed but not impede the flow of air for ventilation nor the historic nature of the building. Their successful Tom Glenn Community Impact Fund application allowed them to put these new structures in place within two weeks enabling them to capture the summer and shoulder season business of summer residents staying longer.

Island Fellows

Mark Macey is a second-year fellow living and working in the coastal town of Eastport. He is a graduate of the University of Utah with a BA in Theater Studies and was most recently living in Salt Lake City before moving to Maine to begin the Island Fellows program. Mark's main focus as a fellow for Eastport is to help the community prosper by focusing on expanding its visual and performing arts activities. Currently, he splits his time between the Eastport Arts Center and Stage East, two community theater groups aiming to increase work with new participants and audiences. A few highlights of Mark's fellowship include being a stage manager for a musical review and even singing a few numbers, directing a show for Stage East called *Dear Elizabeth*, and running a children's theater workshop.

"The Island Fellows program offers a fresh set of eyes for a community. You can see where you have a different perspective on things and identify opportunities that other people aren't seeing. In Eastport there was a lot of enthusiasm for the arts, but they were in need of artistic leadership. I stepped in by directing a show for Stage East called *Dear Elizabeth*. They had never put on a show in the winter, and it felt good to help continue the sense of community even in the bitter cold." — MARK MACEY

The Island Fellows, a flagship Island Institute program, was designed in response to the need to staff critical projects, such as each town's requirement to submit a comprehensive plan every ten years; the need to address aging-in-place, telehealth, after school programming, and student impact from the opioid crisis issues; and the lack of human capital to execute such projects that exist in island and coastal communities. Our Island Fellows program builds critical community capacity where it is needed most and provides in-person, on-island human resources to tackle community-specific projects. In 2020, the Island Institute celebrated 20 years of fellowship, an accomplishment made possible by the generosity of our investors, community partners and annual donors. To date, we have placed 128 talented individuals in all 15 unbridged islands and in nine coastal communities. This fall, we welcomed five new fellows to our program.

Since 1999, the Island Institute has been investing in young college graduates and coastal and island communities through the Island Fellows program. The award-winning Island Fellows program has visibly and valuably built local capacity through technical assistance and support for island and rural coastal communities to thrive in the face of an uncertain future. The program is informed by the Island Institute's 37 years of experience and a proven track record of local capacity building. The Fellows use their skills to provide technical assistance in the community, receive professional development training from the Island Institute, and develop life-long professional and social networks. Through the fellowship experience and network, the Island Institute has encouraged more than half of our Island Fellows to stay in Maine after completion of their service.

ENDOWED FELLOWSHIP FUNDS

- William Bingham Fellowship in Rural Education
- Louis W. Cabot Fellow
- James S. and Joanne M. Cooney Island Fellow
- Willoughby I. "Toby" Stuart Island Fellowship Endowment

GEOGRAPHIC ENDOWED FELLOWSHIP FUNDS

- Swan's Island Fellow
- Deer Isle - Stonington Fellow
- Vinalhaven Fellow
- North Haven Fellow
- Islesboro Fellow

FY19 ENDING BALANCE
\$5,454,946

Additions \$50,000
Returns \$107,300
Allocations \$(186,183)

FY20 ENDING BALANCE
\$5,426,063

2020-2021 Island Fellows

HANNAH GREENE

BEALS ISLAND
Down East Institute
► Louis W. Cabot Fellow



KIRAN GREWAL

CHEBEAGUE ISLAND
Chebeague Island
Recreation Center



MATT JABLONSKI

VINALHAVEN
Town of Vinalhaven
► James S. and Joanne
M. Cooney Island Fellow



MARK MACEY

EASTPORT
Eastport Arts Center



ELLIE MASON

ST. GEORGE
► William Bingham
Fellowship in Rural
Education



DYLAN MCBRIDE

MILBRIDGE
Women for Rural
Healthy Living,
Washington County Council
of Governments



ANNE MCKEE

ISLESBORO
Islesboro Community
Center, Islesboro Central
School
► Willoughby I. "Toby" Stuart
Island Fellowship



RAINA SCIOCCHETTI

SULLIVAN
Sullivan-Sorrento
Historical Society



Island Education Fund

FY19 ENDING BALANCE
\$3,280,163

Additions \$0
Returns \$61,462
Allocations \$(110,856)

FY20 ENDING BALANCE
\$3,230,769

One of the most dearly held beliefs is in the power of education and leadership to shape a community's long-term character and contribute to its economic and social vitality. We support students, teachers, school leaders, and parents by responding to identified interests and needs and creating opportunities for connection and collaboration. We provide targeted professional development for teachers and administrators as well as scholarships to promote teacher and student travel and enrichment, college access and persistence, and workforce skills development and training.

The Island Institute launched the Compass Workforce Grant in early 2020, a program for youth who are unsure of their future career plans and who are at risk of dropping out of school. The Compass pilot helped us to develop and refine strategy, strengthening connections between local and regional businesses, schools, teachers, and students. The goal of the program is that 100% of graduates earn an industry-recognized credential within six years of high school graduation.

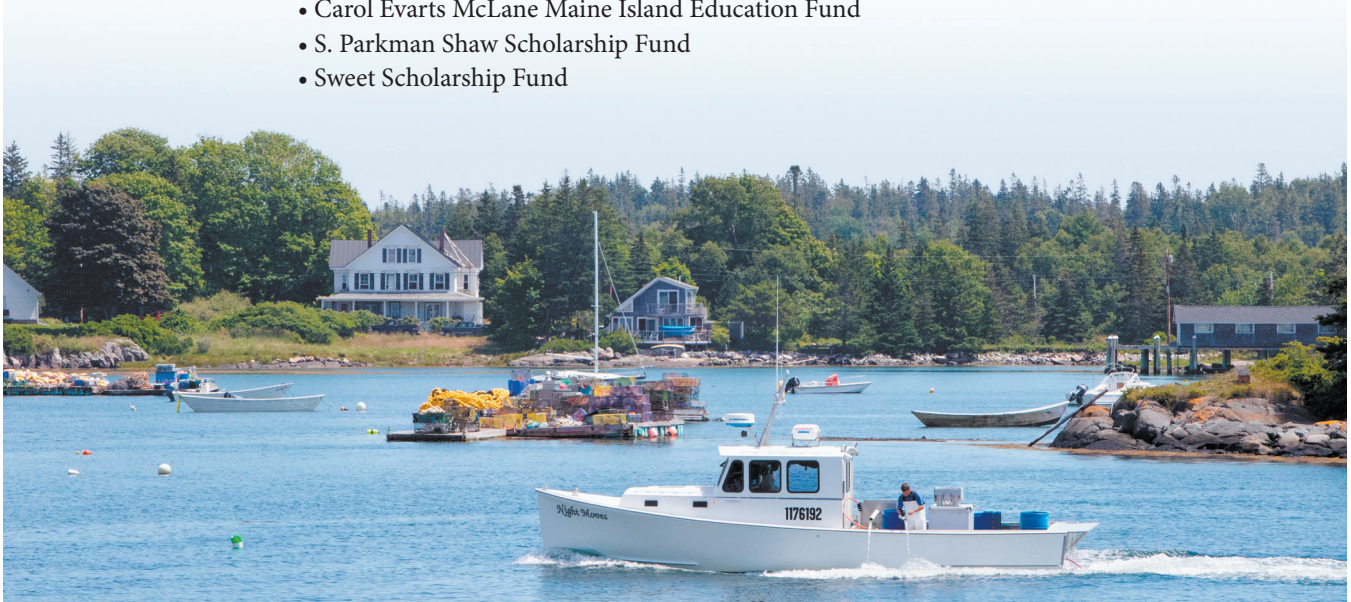
The Mentoring, Access, and Persistence (MAP) program continues to grow, supporting island students and their families through the college application process as they transition to post-secondary education. This year, 10 students are enrolled in the MAP program, participating in a leadership intensive, college field trips and overnights, and series of skill building activities. MAP students receive scholarship awards in their freshman year of college and have access to one-on-one support from Island Institute staff, a renewable scholarship, and a curated toolbox. Since the first cohort in 2018, there have been 41 students involved in MAP cohorts (including the ten from MAP21).

THE IMPACT OF PHILANTHROPY

- Since 1990, we have given 1,437 scholarships to students pursuing post-secondary education totaling more than \$1.7 million.
- 41 students have participated in MAP since its inception in School Year 2018
- 10 Compass Workforce Grants awarded in School Year 2019, the first year of the program
- 183 teachers received professional development support in School Year 2019
- Since 2015, the ILEAD program has supported 178 participants

ENDOWED SCHOLARSHIP FUNDS

- Philip Conkling and Peter Ralston Scholarship
- Geiger Scholarship
- Carol Evarts McLane Maine Island Education Fund
- S. Parkman Shaw Scholarship Fund
- Sweet Scholarship Fund



Fund for Maine Islands

The long-term collaboration between College of the Atlantic and the Island Institute utilized \$65,000 in other targeted funding in place of an endowment draw to create high quality content and storytelling. Fiscal Year 2020 highlights included an audio piece at the 2020 Waypoints Forum and the 2020 *Island Journal* article featuring Southwest Harbor. The collaboration continues to invest in building student capacity to collect and archive oral histories and audio stories about coastal communities. The collaboration also included a sound and story walk at the 2020 Maine Fishermen's Forum where over 60 interviews, collected in part by COA students at prior forums, were shared. The storytelling partnership was expanded to formally include Galen Koch from the First Coast project, a mobile studio and exhibition space that travels to year-round coastal communities in Maine during the off-season. The Fund for Maine Islands also supported long-time partner and student mentor, Natalie Springuel from Maine Sea Grant, in exploring connections with islands in Canada's Gulf of St. Lawrence.

FY19 ENDING BALANCE
\$2,003,538

Additions..... \$0
Returns\$39,110
Allocations \$0

FY20 ENDING BALANCE
\$2,042,648

Kellogg Fund

As a result of the innovative support from Peter and Cynthia Kellogg, the Island Institute boasts 100% employee participation in retirement planning. The match provided by the Kellogg fund helps recruit and retain talented professionals and is a powerful incentive to encourage employees to invest in their future.

FY19 ENDING BALANCE
\$1,133,427

Additions..... \$0
Returns\$22,125
Allocations\$(37,524)

FY20 ENDING BALANCE
\$1,118,028


Board Designated Fund

The Board Designated Fund provides critical, flexible support for the Island Institute's operation and programs throughout the year. Our newly revised Gift Acceptance Policy dictates that all planned gifts valued at \$100,000 or more will be directed to the Board Designated Fund to encourage long-term, future sustainability.

FY19 ENDING BALANCE
\$9,204,098

Additions.....\$550,000
Withdrawals.... \$(530,000)
Returns \$144,472
Allocations\$(602,407)

FY20 ENDING BALANCE
\$8,766,163



FISCAL YEAR 2020

**SUMMARY OF ALL
INVESTED FUNDS**

FY19 ENDING BALANCE
\$23,725,444

Additions.....\$1,769,990
Withdrawals.... \$(530,000)
Returns \$382,517
Allocations \$(986,355)

FY20 ENDING BALANCE
\$24,361,596



The Island Institute works to sustain Maine's island and coastal communities, and exchanges ideas and experiences to further the sustainability of communities here and elsewhere.

