



2021 ANNUAL REPORT

HOPE



COVER AND THIS PAGE:

Cheyenne Bickford fishes for lobster off the coast of Vinalhaven with her father, Sam. Cheyenne has been a resident of Vinalhaven for all of her 21 years, and she has been lobstering since she was eight years old. Her favorite part about being out on the water is spending time with her dad.



Dear Members and Friends of Island Institute,

2021 brought continued change to Maine's island and coastal communities—climate change, economic change, and changes wrought by the pandemic. Thanks to your generosity and commitment, the Island Institute is hard at work helping people and businesses successfully navigate these changes. This work inspires hope and optimism, and we are setting ambitious targets to accelerate our impact in the coming decade.

In 2021, we refocused on three strategic priorities, working to prepare climate-ready communities: creating climate solutions, building resilient economies, and empowering strong leaders. This work takes shape through the many programs and services we offer thanks to your support:

- We are leveraging ingenuity and innovation to reduce carbon emissions and strengthen Maine's blue economy.
- We are investing in sole proprietors, small businesses, and community infrastructure to drive local, sustainable impact.
- We are elevating voices and ensuring that Maine's island and remote communities are represented in state and federal policy and leveraging public funding for the issues that matter most to those communities.
- We are connecting remote communities to high-speed internet—a lifeline to economic and social resilience.
- We are working to ensure that values of diversity, equity, and inclusion are integrated into every aspect of the organization.

The stories you will read in this report represent a sample of the many positive changes catalyzed by the Island Institute's work in our communities. We are inspired and energized by this important work and by the communities, partners, and supporters like you who are making it possible.

With gratitude and hope,



Anthony Chatwin

Anthony Chatwin, Ph.D.
President



Emily B. Lane

Emily Lane
Chair, Board of Trustees

CLIMATE SOLUTIONS

Global climate solutions require local action. Whether it's shifting to carbon-neutral systems or adapting to the impacts of climate change, the Island Institute is making investments where we see the most potential for impact over time.

Together, we are inspiring meaningful climate action. We have our sights set on the decarbonization of Maine's marine sector, contributing to a healthier climate and economy for our coast. We distribute grants that allow municipalities to conduct infrastructure assessments to prepare for sea level rise. We participate in scientific studies that help people who work on the water stay on the water. And we work with communities to implement locally relevant clean energy solutions.

IMPACT IN ACTION

Matt Tarpey and his father Sean teamed up with the intention of becoming the center of electric propulsion in the state of Maine. Together, they formed Maine Electric Boat which is based out of Rumery's Boat Yard in Biddeford. At the boat yard, they sell and rent electric boats and motors, in addition to converting boats powered by fossil fuel to electric power. One weakness they identified in their system was the charging process. Their innovative solution to this problem is the solar dock—a dock that harnesses the power from the sun, collecting and storing energy for electric boats, while also remaining walkable and functional.

To help alleviate the risks associated with this kind of investment, the Island Institute awarded Matt and Sean a grant to cover about one third of the project's costs. These funds came in the form of a Spark! Grant, part of our Tom Glenn Community Impact Fund. We invest in projects that turn climate challenges into opportunities.

We are partnering with
15 BUSINESSES
on marine decarbonization.



The Tarpeys' story represents a key intersection between two Island Institute priorities. This project extends beyond the Island Institute's climate solutions work and into work that is foundational to our coastal economy: the preservation and adaptation of Maine's working waterfronts. With access to the working waterfront shrinking, the Island Institute is focusing on preserving these critical marine access points. Beyond preservation, we are also preparing Maine's working waterfronts for the future. Your support is catalyzing the change that is necessary for our working waterfronts to thrive in the decades to come.

SUSTAINABLE ECONOMY

The Island Institute connects people to resources. We partner with entrepreneurs and municipal leaders who play a critical role on the coast of Maine with the shared vision of a thriving economy. We help businesses and municipalities leverage existing state and federal funding, and we also award direct grants through our Tom Glenn Community Impact Fund.

Thanks to the generosity of our members, the Island Institute can provide Mainers with the tools they need to navigate economic uncertainty. We're partnering to build diverse markets for high-quality Maine seafood; helping Mainers obtain access to affordable, reliable, and equitable high-speed internet; and providing businesses with planning services as well as grants and loans that stimulate island and coastal economies.

IMPACT IN ACTION

Historically, the rural coast of Maine has lacked an affordable, reliable, high-speed internet connection. Increased access to broadband represents resilience in an uncertain economy. It gives community members the ability to diversify their livelihoods, and it offers new professional opportunities.

We consider the connection of each town to be a major victory, and we are proud to share in their celebrations as they use our community-driven broadband process as a guide to success. In 2021, the Town of Bremen saw their broadband goals come to fruition. Knowing that their town's economic future was in their hands, members of the community established the Bremen Broadband Committee. They received technical assistance from the Island Institute, and a public-private partnership was established between the Town and the local internet service provider. Government grants were leveraged to help pay for the buildout, and in the summer of 2021, a "fiber-to-the-home" network was expanded to the whole town.

We awarded
\$90,395
in broadband planning
grants throughout Maine.



STRONG LEADERS

The Island Institute mobilizes leaders who are solving problems and influencing change. Recognizing that leaders vary—from a town's select board members to its high school students—we work with a variety of innovators to help them address the issues that are important to their communities. We amplify their voices and ensure their interests are represented in state and federal policy, we increase the capacity of their communities through direct assistance and our Island Fellows program, and we strive to place inclusion and equity at the forefront of this work.

Our key strategies are to inform, network, and deliver resources like leadership tools, workshops, and scholarships to recipients of all ages. Through our leadership work, the Island Institute and its supporters are setting Maine up for success as it navigates its way through impending change.

IMPACT IN ACTION

The Island Institute has been pairing young leaders with meaningful community projects through the Island Fellows program for more than 20 years. There are currently 10 fellows located along the coast of Maine, extending from Casco Bay to Eastport. Their work ranges from economic planning to digital equity and includes support for municipal government, historical societies, and community recreation centers.

Second year Island Fellow, Hannah Greene, works on Great Wass Island in Beals with the Downeast Institute, a marine research laboratory and education center. This partnership and Hannah's hard work has added capacity to the organization's education programs and has supported research on pertinent subjects like the impacts climate change and ocean acidification have on marine species.

Island Fellows worked with
16 PARTNERS
including municipalities,
schools, and non-profits.



Hannah is studying the link between climate change and shellfish predation by invasive species like the European green crab. She is also researching the impacts of climate change and ocean acidification on the growth and development of larval shellfish and lobster.

2021 FINANCIALS

\$5,436,699 TOTAL GRANTS AND CONTRIBUTIONS REVENUE	\$6,614,709 NET INVESTMENT INCOME	\$1,172,813 GRANTS AND SCHOLARSHIPS PROVIDED
\$3,892,458 OTHER PROGRAM-RELATED EXPENSES	\$40,303,997 TOTAL ASSETS	+21.9% INVESTMENT PERFORMANCE

INVESTMENT PERFORMANCE

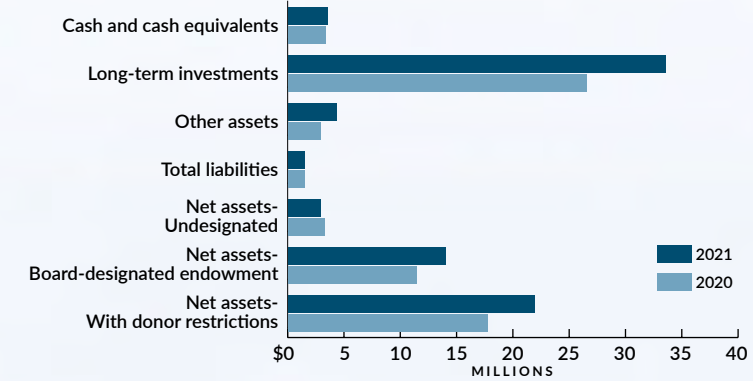
Fiscal 2021 showed a sharp improvement in financial health and performance. Rebounds in the world’s financial markets were reflected in the Island Institute’s investment results which soared to \$6.6 million, representing a 22% rate of return. With endowed, invested assets representing over 80% of the organization’s total assets, this growth contributed to the critical financial support provided through the organization’s spending rule draw. In addition to these investment results, philanthropic giving improved by 33%. Planned giving commitments also increased, providing another avenue for long-term financial stability.

The philosophy of the Island Institute’s financial operations is best described as a balance between preservation of capital to ensure long-term stability and growth, combined with a robust approach to community development through targeted deployment of human and financial resources.

For more information, please contact Pete Rand, Chief Financial Officer, at prand@islandinstitute.org, or by phone at (207) 594-9209 ext. 124.

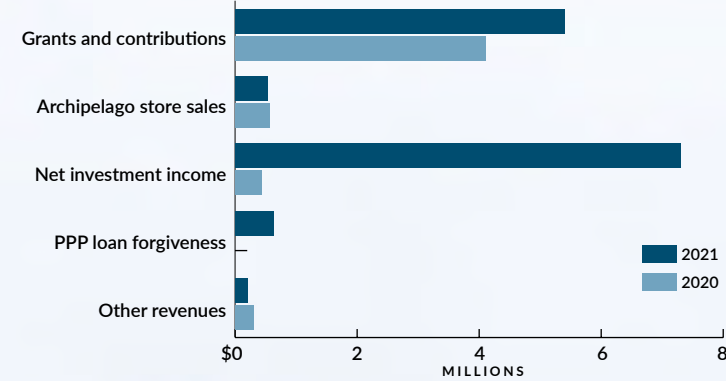
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020



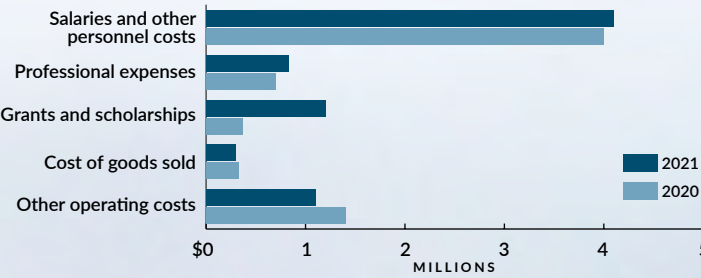
SUPPORT AND REVENUES

FISCAL YEAR 2021 AND 2020



FUNCTIONAL EXPENSES

FISCAL YEAR 2021 AND 2020



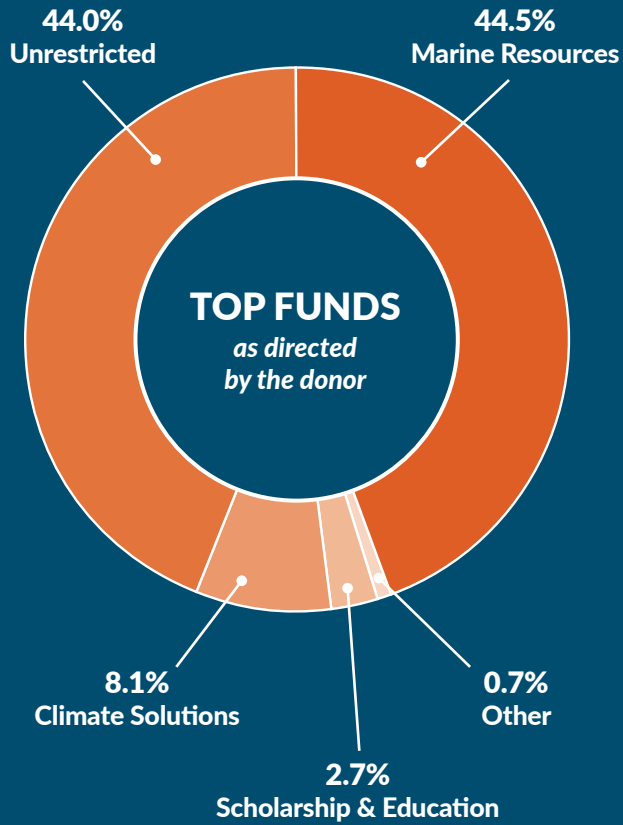
2021 FISCAL YEAR
Financial Perseverance

The fiscal year which ended June 30, 2021 represented a period of rebound in financial performance for the Island Institute.

The COVID pandemic wreaked havoc on financial markets during early 2020. The Island Institute, with its investment portfolio consisting primarily of donor-restricted endowment funds, took a financial hit which was reflected in the numbers shown in the 2020 annual report. Philanthropic giving declined during the early days of the pandemic, influenced by sharp drops in personal wealth and record growth in unemployment.

Through it all, Island Institute persevered. We relied on the continued generosity of our core members and donors, as well as the organization's cash reserves to ensure services, grants, and scholarships not only continued unabated, but grew. Paycheck Protection Program funds were obtained to ensure that Island Institute employees and their families could continue their important work without worrying about the stability of their employment.

QUESTIONS?
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Building Community from the Sea Up