



CREATING OPPORTUNITY • ADVANCING HIGHER EDUCATION • THE SENIOR COLLEGE ADVENTURE

Education for

SHAPING OUR PUBLIC POLICY • NURTURING LIFELONG LEARNERS • PEER-TO-PEER LEARNING

the Future of Maine

YOUTH PHILANTHROPY • FULFILLING JOURNALISM DREAMS • RETURNING EDUCATIONAL FAVORS

Working in Partnership

The mission of the Maine Community Foundation is to strengthen Maine by working in partnership with donors and community groups.

We accomplish our mission by:

- * Building philanthropic resources
- * Connecting donors to organizations and programs they care about
- * Making effective grants
- * Providing leadership to address community issues

Education for the Future of Maine

Table of Contents

2	Opening Doors: 10 Innovative Education Projects
14	Giving Options
14	Legacies for Maine
15	New Funds
15	The President's Fund
16	Recognizing Our Donors
18	Asset Stewardship
20	Financial Information
21	Grantmaking
21	Where Grants Go
22	Volunteering for Maine
22	Board of Directors, Staff & County Advisors
23	Nonprofit Partners
24	Business Partners

The year 2003 represented a turning point for the Maine Community Foundation. While we celebrated our 20th anniversary with record growth and grantmaking levels, we also adopted a five-year strategic plan that has the potential to transform the foundation in terms of its impact on the State of Maine.

Our anniversary year proved to be a landmark one for cumulative grants as we topped the \$50 million mark. The foundation also awarded a record \$9.3 million in grants and scholarships. We were pleased and grateful to be able to increase our grantmaking at a time when other foundations were cutting back due to the difficult economy of the preceding three years.

The Maine Community Foundation's total assets grew from \$97 million to a record \$134 million, thanks to another year of strong investment returns as well as new gifts. Total gifts were nearly \$19 million, plus \$4.1 million received from the Bill and Melinda Gates Foundation for the Senator George Mitchell Research Institute's Great Maine Schools Project (see p. 8).

The 2003-2008 Strategic Plan calls for a broad-based re-evaluation of MCF's grantmaking and program activities and for the County Program to become central to the way we conduct our development, donor service and grantmaking work. Development will take on enhanced prominence as we seek to increase charitable resources.

Other highlights of 2003 include the creation of our ninth county committee, in Hancock; the revival of the Partners in Philanthropy program, in which high school students learn about philanthropy and civic engagement through grantmaking (see p. 11); and the creation of Legacies for Maine, recognizing donors whose estate plans include bequests to the foundation.

We salute donors, partners and friends for their contributions to making 2003 the best year in the history of the foundation.



Honorary Doctor of Laws degree recipient Henry Schmelzer delivers the keynote address at the 2003 commencement for the University of New England's College of Arts and Science and College of Health Professions.

Wendy Penley visits an after-school Lego Robotics program offered by the Mahosuc Kids Association at the Crescent Park Elementary School in Bethel, Maine. Last year, the Association placed its endowment with the Maine Community Foundation, one of nearly 50 nonprofit endowments managed by MCF.



Last year, the Maine Community Foundation, with the support of a grant from one of its donor-advised funds, joined forces with the Maine Development Foundation to launch an ambitious program to increase higher education attainment in Maine: the Maine Compact for Higher Education (see p. 13).

As part of our efforts to spotlight education, this 2003 Report to the Community highlights some of the many ways in which philanthropy, through the medium of this community foundation, may serve as a catalyst for learning.

We hope the stories in this report will inspire you to join others in Maine to help fulfill our crucial mission of building community and economic prosperity through the sharing of knowledge.

Henry L.P. Schmelzer, *President*

Wendy Penley, *Chair, Board of Directors*



MAINE COMMUNITY FOUNDATION
Fulfilling the promise of giving

Opening Doors

"An educated citizenry is essential in a nation that derives its legitimacy from the informed consent of the governed. Education is prerequisite, as well, to both personal and national productivity and economic well-being, and it opens the doors to cultural and intellectual pursuits that make us fully human."

*--Dr. Robert Woodbury
Vice Chair, Maine Community Foundation*

The Maine Community Foundation believes that educated citizens are the foundation of a strong community. Through the generosity of many like-minded donors, we administer an ambitious scholarship program that awards almost \$1 million each year. We partner with families, businesses, educators, donors and others to support students of all ages across the state to fulfill their educational goals, be they college, certificate programs, camps, or experiential learning expeditions.

The Maine Community Foundation is a partner in learning and education. We learn from our networks throughout the state represented by our grantees, volunteers, donors and colleagues. We draw on their experiences and our collective knowledge to design new funds and programs that support Maine's citizens in their pursuit of life-long learning.

The ten examples of innovative and exciting projects that follow represent a sample of the ways in which education, in Dr. Woodbury's words, "opens the doors."

Returning the Educational Favor



David and Sandy Perloff's passion for public education is so great that they not only offer grants to individual educational projects, they also read through the pile of applications they receive—and then they go visit every project, not once, but twice.

The Perloffs named their program Fast Track Grants because of the speed in which the funds are delivered. Teachers are invited to apply in October. Those chosen have checks by the first week in November. By mid-winter, the Perloffs (who live in California, but have a home in Kennebunkport) are visiting the classrooms to take a look at what's going on.

"We get a handle on whether they've really started. If there are adjustments needed to the program, we can do it," says Sandy. "Later in spring, we pretty much see the complete project. It's a lot of fun." This winter, the couple visited the inter-generational Machias Fencing Club and watched a three-year-old and an 83-year-old learn the art of fencing. "We talk to students, hear what's exciting them. We're there to see in action what makes the projects really happen."

An engineer in Silicon Valley, David found himself on the winning end of a high tech merger a number of years ago. The couple decided they would use some of their earnings to create a charitable fund. "We both got incredible benefits from public education," says Sandy, "and we wanted to return the favor."



"We're there to see in action what makes the projects really happen."

The principal of David's old high school in Philadelphia got them onto the fast track strategy. Rather than giving a broad donation, the principal suggested they solicit specific ideas from individual teachers. Many teachers, said the principal, have a pet project they would love to try, if only they had the resources.

The Perloffs have given more than 55 Fast Track grants since 1999, building up to three to four grants in three to four Maine regions yearly. A favorite was the snowshoe grant. A teacher at the Cousens Elementary School in Kennebunk wanted to get students started on a sport that would take them outside in winter, a life-long activity. With a \$3,000 grant, the school bought 50 pairs of snowshoes. The project snowballed. Whole families responded to the kids' enthusiasm and began trekking in the snow.

"Most of the best grants are simple like that," David explains: "snowshoes, books." The grant that can still bring a knot to Sandy's throat was the one they gave to an Acton classroom to purchase books for new readers to bring home. To hold the books, these young children—with the help of family and friends—built and decorated bookshelves that they could put in their homes.

When David and Sandy went to the Acton School later that year, Sandy overheard her husband asking the kids what the best part of the project was. Continues Sandy: "One kid answered, 'The best part was that my dad came to school to help. Dad hadn't ever been to school before.'"

*Nurturing Lifelong Learners
and Paddlers*



The Chewonki Foundation's Canoe Expedition for Maine Girls was designed for a very specific population of Maine students.

Not only are the students disadvantaged teenage girls; they are at an optimal stage in their development for a "breakthrough" experience. They apply for the program eager to challenge themselves physically, mentally and socially, aware of the realities of black flies, long portages, headwinds and inevitable group conflict. The program is rooted in the belief that improving one life will, in time, improve the lives of hundreds.

The three-week expedition on the Penobscot and Allagash waterways has been a life-changing experience for girls. It immerses them in a supportive circle of peers and mentors, far removed from the surroundings that have perpetuated unhealthy habits and low self-image.

Lessons taught by the trip leaders, field teachers and peers are immediately relevant to the students' lives (e.g., the physics of paddling strokes, the characteristics of good firewood, the historical usage of a portage trail). When feelings of resentment arise between girls, there is no way to walk away or escape into a television show: The conflict must be resolved through open-minded listening and sensitive dialogue.

On the rigorous expedition, girls are given real responsibilities and are accountable for their decisions and actions. They also have time to sit alone at sunset and reflect on their values and dreams. When they return to their homes and schools, they have the support of mentors to help them navigate the transition period.

The transference of inner strength to life beyond the expedition is often profound. One girl describes her transition like this: "I've faced some hard decisions this fall, and the things I learned



"I learned ten different ways of living."

about myself on the river helped me make good choices. I have so many new friends and I got on the honor roll!"

Project Coordinator Kirstin George developed the program, now in its third year. George believes that effective community leaders, creative

problem-solvers, environmentally aware citizens, self-confident and insightful family members and lifelong learners can emerge from economically disadvantaged youth.

Thanks to grants and contributions, including \$20,000 in support from several donor-advised funds at the Maine Community Foundation, the Canoe Expedition program has been able to meet all scholarship needs in its first two years.

The Canoe Expedition program has changed lives and attitudes. "The girls who participated in the first two expeditions have become role models for their peers," George reports. "They have newfound clarity about their ambitions and good relationships with the adults who can help them move forward."

Perhaps Meghan, a participant from the 2002 expedition, puts it best: "I learned more than how to paddle on my trip. I learned ten different ways of living."

"Rural hospital puts people before profits." "Maine comedian returns from Iraq." "Jewish family celebrates culture, religion." "New owner has dream for ski area."

These headlines from the Lewiston *Sun Journal* illustrate the variety of stories Samantha DePoy is called upon to cover in her role as staff writer at the newspaper's Farmington bureau.

DePoy jumped into journalism in the fall of 2000, at age 17, when she applied for a job as a sports reporter for her local newspaper, the *Rangely Highlander*. What started as a part-time position to supplement her income became a full-time passion for journalism. At one point she was writing for three newspapers, the *Highlander*, *Sun Journal* and *The Mainstream*.

The latter publication is the monthly campus paper at the University of Maine at Farmington where DePoy is a student. "The average college student spends evenings hanging out with friends and studying, and weekends at parties," DePoy notes. "My nights are reserved for meetings and filing stories, my weekends filled with covering events, conducting interviews and trying to catch up on sleep."

While she dreams of one day getting into television as a sports or program anchor, DePoy also takes pride in other aspects of her writing. For an oral history class "Telling Their Stories" at UMF, she interviewed two Western Maine businesswomen as part of a collaborative project between the university's Women's Studies Program, Coastal Enterprises, Inc. and the Western Mountains Alliance.

Telling Our Stories



In her recommendation for DePoy's application for a Gannett scholarship, Carol A. Coultas, the *Sun Journal's* former managing editor, wrote, "Sam is exactly the kind of college student we need to encourage so that we can maintain a committed and vibrant pool of journalists in Maine."

Indeed, DePoy might exemplify the kind of student the trustees of the Gannett Foundation had in mind when they established the Guy P. Gannett Journalism Scholarship Fund at the Maine Community Foundation in 2000. DePoy and more than 35 other students from Maine have received nearly \$200,000 in support from the Gannett Foundation Scholarship Fund.

"It is my life and it is my future," DePoy says of journalism. Her latest assignment bears this out: This spring she became editor of the *Livermore Falls Advertiser*.

"It is my life
and it is
my future."

Shaping Public Policy Makers

Established at the Maine Community Foundation in 1987 by Peter W. Cox, co-founder of

Maine Times, the Maine Policy Scholars Fund set out to advance excellence in undergraduate education at the campuses of the University of Maine system. The New York Times Foundation, Bangor Publishing Co., Betterment Trust and several far-sighted and generous individuals, including Cox, were instrumental in building the fund over time.

In 1995, the Maine Policy Scholars Program became the vehicle for the fund's grantmaking. "Our goal is to offer Maine undergraduates a chance to use their intellectual skills to deal with solving real problems in the real world," Cox says. In 2000, the Maine

Community Foundation entered into a partnership with the Muskie School of Public Service to administer the program in cooperation with campus advisors.

Each year, one student from each University of Maine campus is selected to pursue a rigorous program of study and applied research on a topic related to public policy. Each student works with a faculty advisor and is awarded a scholarship and funds for research and travel expenses.

Kristen Worthley, a policy scholar attending the University of Maine at Farmington, is studying the state's juvenile criminal justice system, focusing on the restorative justice model, which emphasizes restitution to victims and to society. "This justice program holds youth accountable for their actions without locking them up and throwing away the key," says Worthley, who plans to work in the Maine Department of Corrections when she graduates.

Worthley is working with James Melcher, Ph.D., an assistant professor of political science in the Department of Social Sciences and Business at UMF. "The Maine Policy Scholars Program offers students like Kristen the opportunity to get guidance from a wide range of knowledgeable people in the world of Maine public policy and to have their in-depth work taken seriously," says Dr. Melcher.

Last October the Maine Community Foundation hosted a special symposium for the policy scholars in Freeport. Exploring the media's influence on policymaking and public opinion, the two-day gathering featured a panel discussion moderated by Cox. Former governor Angus King shared his experiences as governor, lawyer and former Maine PBS broadcaster. King has signed on to help recruit accomplished and experienced citizens from across the state to work with students in the future.

"As with any such educational initiative, this is a work in never-ending progress," Cox says. "It has been rewarding to work with the Maine Community Foundation staff in learning from what we have done and trying to improve what we do in the future. We hope the Maine Policy Scholars Program will eventually be as good as any in America."

The goal of the Mitchell Institute, an affiliate of the Maine Community Foundation, is to improve opportunities for Maine youth through access to higher education. Traditionally, the Mitchell Institute has sought to do this through its scholarship program, making a \$4,000 award to a graduating senior from every public high school in Maine every year. Through the aegis of a \$10 million grant from the Bill & Melinda Gates Foundation, the Mitchell Institute is now taking a new approach: working to strengthen the high school experience of Maine students so that every student graduates college-ready.

Expanding Opportunity

To do this work, the Great Maine Schools Project was created. Based on the seminal report *Promising Futures*—a report that Tom Vander Ark of the Gates Foundation called "the best work in the country on high school reform"—the project is working with secondary schools across Maine to develop new models for teaching and learning based on the core principles of equity, rigor and personalization.

What does the project look like? Some schools are restructuring the high school calendar so that students are involved in service learning outside school walls. In other schools the focus is on creating community (and addressing literacy) by having students, parents, teachers and community members all read and then discuss the same book.

Some of the work occurs with several schools working together. In downeast Maine, five high schools are starting to coordinate their daily schedules to allow for common professional development, access to advanced coursework through distance learning and development of a common local assessment system.

Perhaps one of the most exciting initiatives begun by the Great Maine Schools Project is an early college program at Wells High School. The program has placed forty juniors and seniors who were not intending to go on to college in courses at the York County Community College. While students take only one or two courses, the impact of finding both challenge and success in a new environment has been striking and immediate.

With early college emerging as one of the key strategies of the Maine Compact for Higher Education, the Great Maine Schools Project sees itself as playing a critical role in exploring and expanding the model from the York site to what may eventually be a statewide initiative.

Whatever the particular model being developed at any individual high school, the Great Maine Schools Project at the Mitchell Institute is about *kids*—and ensuring Maine students leave high school with the kind of foundation that gives them great opportunities and great options upon graduation.

"...I enjoy seeing the senses come alive in my students."

Susan Vafiades-Diaz's life changed at 17, when she travelled to Bolivia as a foreign exchange student. That was the moment she became a passionate world traveler with a special love for Latin America. It was the blossoming of a long devotion to helping others. And it was a career-defining experience that has since inspired her to connect the generations of students she would come to teach with the world.

Twelve years ago, Vafiades-Diaz created the Ecuador Field Studies program for juniors and seniors at Mount Desert Island High School where she has taught in the English department for more than two decades. After an intensive ten-month interdisciplinary global studies curriculum, she leads a group of students through four weeks of cultural immersion—the type of experience she craves herself.

Vafiades-Diaz grew up in Maine and enjoyed the heritage her immigrant grandparents shared with Bangor's considerable and, at the time, largely non-English-speaking Greek community. Her ethnic experience as a child played a role in her long-time interest in indigenous people, the problems of developing countries and service to others.

Connecting Students with the World



Vafiades-Diaz's dream was to lead students to her Ecuadorian haunting grounds, with the help of friends who today go back thirty years. A Vincent Astor Incentive Award from the Maine Community Foundation gave her a head start. The Astor Incentive Awards program was established in 1984 through an endowment from the Vincent Astor Foundation.

Last June, Vafiades-Diaz was in South Africa on a second Astor grant to look at post-apartheid conditions. And on April 6, she headed off again to Ecuador with her students, who raised money to buy land for a sustainable agriculture project for a tiny mountain village. They carried with them rebuilt computers, clothing and medical supplies. While in Ecuador they worked with children living in orphanages and group homes, and spent a night with the indigenous Achuar, experiencing traditional ceremonies.

What she hopes to share, Vafiades-Diaz says, is the experience she had at 17, the joy of being swept away by the spirit of life in a Latin culture. "There's that vibrant, warm, embracing culture that's so vital—the music and dancing and expression of life, the colors, the smells," she says. "Just riding on a train with chickens and goats and orchids and tropical fruits is an adventure. I come alive when I'm around all that. And I enjoy seeing the senses come alive in my students."

As nonprofits in downeast Maine seek to broaden their private sector support while absorbing public sector cuts, they are frequently confronted with new financial and management challenges. Typically, during such stressful periods, organizations look to increased fundraising as the solution to most of their problems. However, to be successful in a highly competitive environment, organizations are expected to demonstrate organizational strength, board involvement, financial accountability, strategic plans and effective programs.

The small number and relative isolation of nonprofit organizations in eastern Hancock and Washington counties make it difficult for their leaders to have access to the expertise and resources to address all of these challenges. They have needs for assistance in proposal writing, membership development, annual giving, cost accounting, board development, technology applications and marketing, which cannot be met through existing budgets on a unilateral basis. Yet, within each nonprofit, certain strengths and knowledge exist.

The C.F. Adams Charitable Trust, Maine Community Foundation and Maine Philanthropy Center discussed the situation and decided to collaborate on going beyond simply defining the problem. They brought together a group of executive directors of downeast nonprofits to brainstorm creative approaches to foster peer-to-peer learning and sharing of resources. Organizations include Blue Hill Memorial Hospital/Healthy Peninsula, Cobscook Community Learning Center, Downeast Salmon Federation, Eastport for Pride, Frenchman Bay Conservancy, Healthy Island Program, Maine Sea Coast Mission, Schoodic Arts for All, Sunrise County Economic Council, Quoddy Regional Land Trust and the Tides Institute.

Sharing Resources

So far, four peer-learning sessions have taken place, covering a variety of topics, from managing interns to working through difficult board challenges. The directors have also discussed sharing resources (like a bookkeeper). Each meeting is held at a different nonprofit office, which gets everyone out and about in the two counties.



Ron Beard, educator at the University of Maine Cooperative Extension in Ellsworth and a session facilitator, is convinced that collaborative learning among peers is one of the most effective ways to build organizational capacity in rural areas. "In this part of Maine, we have some very resilient and resourceful nonprofit leaders," he notes. By organizing a "self-renewing network of peers," says Beard, the foundation and its partners are leading nonprofits to view each other as coaches and mentors. "That kind of support," he concludes, "is good for these leaders, good for their organizations and good for the region as a whole."

Trusting Their Judgment

For many teenagers, philanthropy is a cumbersome and boring word that no one expects them to learn, except possibly during middle school lessons about Andrew Carnegie's railroad expansion. For some, philanthropy is an abstraction associated with the Rockefellers or

Bill and Melinda Gates. Few dream, or are ever asked to consider, that they might be philanthropists one day, much less right now. Even while well-intentioned adults work to benefit young people, few of us stop to ask these same young people to be part of the philanthropic process.

Fortunately, that's changing by way of a quietly rising tide of youth philanthropy programs around the country. One example is Partners in Philanthropy (PIP), a collaboration of the Knox County Committee of the Maine Community Foundation; Youthlinks, a nonprofit organization serving youth ages 11-17 throughout midcoast Maine; and the Diversity Coalition, a Camden Hills Regional High School student group. The project was initiated expressly for the purpose of engaging youth as grantmakers.

This year, the PIP group has \$5000 to award to nonprofit organizations. They meet weekly to assess community needs, establish and articulate personal priorities, learn about nonprofit management, build consensus, develop an application and request for proposals, publicize the program, review grants and make awards.

The PIP program sends an important message to youth participants: When we afford them the responsibility of disbursing a significant amount of money, we're saying we trust their judgment, we value their passion, we want to see the community through their eyes, and we show them we mean it, with a check to back it up.

One of the PIP participants said, "You see the big gurus making donations, but you don't think you can do it. It feels like the five bucks you can spare from your paycheck after your car insurance or gas isn't enough. But it is. No one talks about philanthropy to teens. We aren't taught about nonprofits. The teenage syndrome is to take things for granted."

"We don't absorb things in terms of 'that affects us'," added another PIP grantmaker.

The process these teens are involved in is as valuable as the grantmaking itself. As one member noted, "There's a lot more to philanthropy than giving away five thousand dollars." It can be tedious, frustrating work on a Friday afternoon, involving careful self-examination, a willingness to look at what's right and what's wrong with the world, teamwork and careful group decision-making. The pride and responsibility that PIP members have assumed is remarkable, and their intuitive capacity for due diligence would make even the most finicky review board proud.

"People are impressed by it when I tell them that teens are doing the grantmaking," said one participant. "It's kind of a nice way to start the weekend—you get a good feeling inside."

"The foundation and its partners are helping nonprofits view each other as coaches and mentors."

The days of tests, research papers and credits bear no relevance to the varied menu of courses offered by Maine's sixteen senior colleges. Learning, free of academic restraints, buoys new enthusiasm and possibilities.

The senior college movement has taken firm root in Maine. The social aspect of these colleges is an important part of their remarkable success. Pursuit of new interests can be shared with others and friendships cultivated. The larger world seems less remote while the local one, sometimes a bit of a mystery to the retiree, is revealed.

Founded in 2001, Downeast Senior College, based at the University of Maine's Ellsworth campus, offers courses and activities to seniors (50 and older) living in Hancock County and southwest Washington County. It is the mainland sister of Mount Desert Island's lively Acadia Senior College. The two colleges have cooperated on several courses, including the popular "Architectural Snoops," a series of "peeks" into the best of local architecture.

The Downeast Senior College draws on the resources of local and regional cultural institutions for some of its offerings. A course on Native Americans, for example, made use of the Abbe Museum in Bar Harbor. For a course on croquet, the Woodlawn Museum, also known as the Black Mansion, in Ellsworth, is fixing up a long abandoned croquet court, thought to be one of the oldest in Maine, to serve as the senior college's home court.

Learning with New Enthusiasm and Possibility

Recently, the Downeast Senior College received a grant from the Maine Community Foundation to organize canoe explorations of watersheds in Hancock and Washington counties. Other funds will go toward an oral history project, with local "movers and founders" and area architects interviewed.



The college also hosts a lecture series. This past spring, special guests included Nancy Ludington Graham, who won an Olympic Bronze Medal in figure skating at the Paris games in 1960; Sandy Ives, professor emeritus of folklore at the University of Maine; and Brad Ohlund, an IMAX cinematographer.

"Senior colleges in Maine have tapped some extraordinary resources," says Sturgis Haskins, a poet, historian, sailor and life-time resident of Sorrento. "These courses and special presentations add sparkle to the later years."

Last year, with a \$100,000 grant from a donor-advised fund, the Maine Community Foundation and Maine Development Foundation joined forces to launch the Maine Compact for Higher Education. The Compact is comprised of 33 leaders from business, community, education and government. The Compact's vision? That higher education is a fundamental right and responsibility of all Maine people.

Advancing Higher Education

The Compact is committed to pursuing five action strategies so that one day Maine people will be among the best educated people in America.

- Maine's Promise Scholarship Program will ensure that no Maine student is denied college for financial reasons;
- The Maine Early College Initiative will encourage students to continue their education beyond high school;
- The Maine College Transition Initiative will help adults earn degrees;
- The College for ME Employer Initiative will help employers support the education of their workforce; and
- A comprehensive College for ME Campaign will encourage Maine people to go to college and earn a degree.

Over the long term, the education and skill level of Maine's workers and citizens is the most important determinant of community health and sustainable economic growth. Education is also one of the most powerful predictors of virtually all forms of civic engagement and leads to citizens who believe they have the ability to improve their community.



Among the features on the Maine Compact for Higher Education's website (www.collegeforme.com) is a list of things you can do to encourage college. Here are ten ideas from that list:

1. Take your children and grandchildren to visit a college campus.
2. Make sure your kids know that you expect college to be part of their future.
3. Encourage your child to participate in an Early College program.
4. Volunteer to mentor a student through the college admission process.
5. Ask school administrators and school board members to make more college degrees a goal for your school system.
6. Start a movement to make applying to at least one college a requirement for high school graduation.
7. Establish a 529 college savings plan for your child or grandchild.
8. Visit the Finance Authority of Maine website: www.famemaine.com
9. If you are an employee, find out if your employer has a college incentive program and use it. If there is no program, propose one and be the first to use it.
10. Volunteer to speak to high school students about your college experiences.

"These courses and special presentations add sparkle to the later years."

Giving

Options for Donors

Choose the one that's right for you

Donor-Advised Funds

A personal approach to giving

Establishing an advised fund allows you to make a gift to the community foundation and then remain actively involved in suggesting uses for your gift. You can work with the community foundation's professional staff to suggest ongoing uses for the fund, targeting the issues you care about most. Grant awards are issued to nonprofit organizations in the name of the fund—or anonymously, if you prefer. Advised funds are an attractive, efficient and cost-effective alternative to establishing a private foundation.

Designated Funds

Helping organizations grow

With a designated fund you can support the good work of a specific nonprofit organization—a senior center, museum or virtually any nonprofit organization. Because it is given through the community foundation, your gift provides the organization you select with not only funding, but also planned giving and investment management services and the power of endowment.

Scholarships

Investing in deserving students

In creating a scholarship, you invest in your community's and state's future and show students you care. The community foundation provides the expertise to help you meet your personal goals and awards scholarships to deserving students. Your fund can help students, from preschool to postgraduate, achieve their lifetime dreams.

Nonprofit Endowments

Endowing your nonprofit organization

Nonprofit organizations can establish an endowment at the community foundation. It's a simple and efficient way to build an endowment—and help create sustainability—for your nonprofit organization.

Field-of-Interest Funds

Connecting personal values to high-impact opportunities

By establishing a field-of-interest fund you can target your gift to address needs in an important area of community life, be it the arts, aging, at-risk youth or another field. You identify your personal interest area when making your gift; the foundation awards grants to community organizations and programs that are making a difference in the area you select. Your gift stays flexible enough to meet community needs in your interest area, even as these needs change over time.

Discretionary Funds

Meeting changing community needs

When you establish or add to an existing unrestricted fund, your gift addresses a broad range of needs, including future needs that often cannot be anticipated at the time your gift is made. The community foundation evaluates aspects of community well being: arts and culture, economic development, education, environment, health and human services and more. The flexibility of your gift enables your community foundation's experts to respond to the most pressing needs—today and tomorrow.

Gift Planning

You can leave a legacy for Maine

You can leave a legacy for Maine and benefit your personal and financial goals at the same time by planning your philanthropy. Bequests, charitable gift annuities, pooled income funds, life income trusts and other planned gift arrangements can be used to establish a charitable fund in the future or add to a fund that has been set up during your lifetime. These arrangements can provide significant tax benefits and increased income while also representing significant charitable gifts. With their advantages of capital gain tax savings and administrative efficiencies, appreciated assets, such as securities and real estate, make particularly attractive gifts.

We welcome your inquiry, in confidence, about establishing a fund and planned gift options.

Legacies for Maine

Honoring vision and commitment

Legacies for Maine recognizes donors who have made planned gift commitments. These individuals and families inspire others to also consider leaving a legacy. Their foresight will impact Maine's social, civic, cultural and environmental well being in the future.

Anonymous (34)	Linwood & Amy Higgins	Robert & Dorothy Phair
Charles & Nancy Alexander	Anne & Dick Jackson	Irwin & Barbara Rosenberg
Donald & Joan Allen	Katharina & Ken	Tom & Bonnie Sawyer
Mary Andrews	Keoughan	Diane Schetky
Peter & Danuta Barnard	Ann & Gerald Ladd	Suzanne Shaw
David Becker	Stanley Marshall	Samuel & Betty Smith
M. Ray Bradford	Edwin Meadows	Gil & Brooke Tenney
Frederick Cahn	Joyce Mendoza	Arthur & Marilyn
Partricia Duarte	William & Pamela	Thompson
Robert & Kathleen Flory	Michaud	Anna Marie & John E. Thron
George Flynn	Janet Milne & John Kuhns	Philip & Jean Turner
Cornelia Greaves	Manny Morgan	Richard & Carole Vogels
Andrew Greif	Clark & Barbara Nichols	Jean Wandel
Lynn Harrison	William Niss	Gretta Wark
Ruth Heffron & John	Sandra Paine	
Vernelson	Nancy Payne	
Merton & Harriet Henry	Dick & Wendy Penley	

2003 New Funds

Advised Funds

Max William Beck Memorial Fund
for Otisfield
Dental Health for All Fund
Salvatore & Concetta DiCara Fund
Harold Dudley Charitable Fund
Nancy P. Greenleaf Fund
Hammond Family Fund
Innovations Fund for Lincoln County
Morgan's Fund
Mount Desert Island Educational
Enhancement Fund
Maine Fund for Animals
Frederick Moon Fund
One Day at a Time Fund
Peaks Island Endowment Fund

Designated Funds

Kay E. Dopp Lincoln County
Animal Shelter Fund
Machias River Watershed Fund
Emily and William Muir Community Fund I
Jeffrey Peet Memorial Scholarship Fund
Ebenezer and Diana Gay Endowment
Fund for Books
Kenneth and Roberta Axelson Library
Fund for Foundation Plantings
Kenneth and Roberta Axelson Library
Fund for the Children's Garden
Safe Family Exchange Fund
David K. Silverman Fund
Tremont School Grant Fund
Tumbledown Mountain Stewardship Fund
Whittemore Fund for the
Caswell Public Library

Field-of-Interest Funds

Andrew Heiskell Memorial Fund
New Horizons Fund
Emily and William Muir Community Fund II

Nonprofit Endowment Funds

The Bay School Fund
Mahoosuc Kids Association School Age
Child Care Endowment Fund
Tedford Shelter Fund
York County Community College
Foundation Scholarship
Endowment Fund

Scholarship Funds

Carolyn Hodgdon Dolliver Memorial
Trust Fund Scholarship
Kay E. Dopp Lincoln Academy
Scholarship Fund
Houlton High School Alumni
Association Fund
Hickey Scholarship Fund
Richard A. Ferrier Scholarship Fund
Ray Jones Memorial Scholarship Fund

The President's Fund

Giving that provides an edge

Special support has helped the foundation rank in the top 10% of community foundations nationwide in the measures of grantmaking, contributions and total charitable assets. We thank the following donors who helped the foundation achieve that ranking and advance its mission with generous annual contributions.

Anonymous (13)
Robert Allen
Rachel & Thomas Armstrong
Baltimore Community Foundation,
Mary and Dan Dent
Forrest Berkley & Marcie Tyre
Rosalyne Bernstein
Fletcher & Charlotte Brown
Stephanie Bunker
Robert & Mrs. Campbell
Robert & Elizabeth Carroll
William & Polly Ceckler
Tae Chong
Anne & Richard Collins
Warren & Brammie Cook
Betty Ann Copley Harris
Dead River Company
Brian & Margaret Dietz
Diversified Communications
Caroline & Joseph Donnelly
Ruth Fraley
Ray & Sandy Gauvin
James Geary & Louise Soucy
Gerrish H. Milliken Foundation
Carol & Vernon Gotwals
Connie Greaves
Catharine & Phillip Guiles
Charles & Ann Harriman
Lynn Harrison
Christopher Harte & Katherine Pope
Derмот & Mary Ellen Healey
Merton & Harriet Henry
Anne & Dick Jackson
Dewitt & Jane John
Arthur & Emily Johnson
David & Hilary Jones
Meredith Jones & Dana Murch
Marion Kane

Felicity Kerr & David Reynolds
William Kieffer
David & Alva King
Jeanne & Paul Klainer
Donna Loring
Frank & Terry Mack
Robert & Patricia McTaggart
Middlecott Foundation
Leonard & Renee Minsky
William & Jane Moody
Harold & Peggy Osher
John & Joanne Payson
Wendy & Dick Penley
Joan & Walter Phillips
Charles & Marsha Planting
Ellen Pope & Pat Welch
Portland Financial Planning Group, LLC.
Gail Richardson
Patricia Riley & Peter Schwindt
Marilyn M. & James Rockefeller
Charles & Susan Roscoe
Tom & Bonnie Sawyer
Bruce & Nancy Schatz
Hank Schmelzer & Cynthia Livingston
Curtis & Cornelia Scribner
Kenneth Spirer & Joan Leitzer
A. Holmes & Doris Stockly
J.B. & Wendy Sullivan
Arthur & Marilyn Thompson
Anna Marie & John E. Thron
Calvin & Katherine True
Ariane & Anne van Buren
Anne Vartabedian
Bradford & Alice Wellman
Joe & Carol Wishcamper
Carolyn Wollen
Robert & Anne Woodbury
David & Margot Youngs

Recognizing Our Donors

In addition to new funds and legacies, the following donors contributed to existing funds and special projects.

Anonymous (32)
 A.C. Fernald Sons, Inc.
 Jesse & Jennifer Abbott
 Acadia Management Co., Inc.
 Nana Aadae
 Adams Family Trust
 Stephen & Anita Adelson
 Alida D. M. Camp Charitable Lead Trust
 Donald & Joan Allen
 Berna Andrews
 Androscoggin Bank
 Areys Pond Boat Yard
 Apple Lane Foundation
 Rachel & Thomas Armstrong
 Robin Atlas
 Steven & Diane Bacon
 Town of Baileyville
 Baker Conservation Trust
 Baker Newman & Noyes
 Baltimore Community Foundation
 Bangor Area Breakfast Rotary Club
 Bangor Savings Bank
 Bank of America
 Banknorth Investment Management Group
 Bar Harbor Banking and Trust
 Bar Harbor Trust Services
 Elliott & Jean Barker
 The Barra Foundation, Inc.
 Richard & Patricia Barter
 Bath Savings Institution
 Bauer Nike Hockey U.S.A., Inc.
 The Bay School
 Waldo Beck
 Becton Family Foundation
 Robert & Margaret Bennett
 Roger & Marcella Bernard
 The Bernard Osher Jewish
 Philanthropies Foundation
 Bernstein Shur Sawyer & Nelson, PC
 Bessemer Trust
 Betterment Fund
 Big Easy Blues Club
 Anne Biglow
 Bill & Melinda Gates Foundation
 Binax, Inc.
 Curtis & Janet Bohlen
 Gordon Bok & Carol Rohl
 Gordon & Jo Anne Borek
 Joseph & Cheryl Boulos
 Sebort & Barrett Brewer
 Douglas & Barbara Brown
 Charles & Darlene Bruce
 Michael & Elizabeth Brunner
 Geoffrey Bullard
 Stephanie Bunker
 Burnham Holdings, Inc.
 Jane Calderwood
 Camden National Bank
 Carolyn & Ben Cameron

Robert & Amy Campbell
 George Campbell
 Faith Carlson
 Carolyn H. Dolliver Memorial Trust
 Robert & Elizabeth Carroll
 Casco Bay Hockey Association
 Donald & Kathleen Cassidy
 William & Polly Ceckler
 Central Maine Power Company
 Charles C. Morris Charitable Trust
 Chebeague Island Council, Inc.
 The Children's Museum of Maine
 Church of Our Father
 Margareta Claesson
 Clarence & Anne Dillon Dunwalke Trust
 Chapman & Ruthann Clark
 M. Harrison & Sarah Clark
 The Cliff House
 Cole Haan
 Diane Connolly
 John Cook
 Paul Cook
 Warren & Brammie Cook
 Rebecca Cook
 Douglas & Sophie Cowan
 Archibald & Jean Cox
 Peter & Eunice Cox
 Cummings Charitable Trust
 Anne Cushman
 Custom Built Homes of Maine, Inc.
 Grover & Starr Daniels
 Joel & Ruth Davis
 Jacqueline Davis
 Alan Day & Katherine Branch
 Philip & Marilyn De Merchant
 Dead River Company
 Austin & Diane Deane
 Deer Isle-Stonington High School
 Robert & Priscilla Demont
 Denmark Lions Club
 Lawrence DiCara
 Vincent & Cheryl DiCara
 Brian & Margaret Dietz
 Diversified Communications
 David & Sandra Dixon
 Down East Enterprise, Inc.
 Alton Downer
 Deborah Dyer
 Eugene & Carolyn Eaton
 Ernest & Ann Marie Eaton
 Elwood R. Quesada
 Educational Foundation
 Samuel & Linda Emerson
 Benjamin & Dianna Emory
 Employees of Central Maine Company
 ERA Today Realty
 Erin Management Group
 Diane Esslinger
 John & Jeanie Eysenbach
 Fabrics de France
 Bruce & Ellen Fador
 Family of Lena P. Deane
 Betty Faust

Federal Marine Terminals, Inc.
 Federated Investors
 Feiry Mt. Realty Trust
 Edgar & Mary Felton
 Barry & Diane Fernald
 Robert & Jean Fernald
 H. Allen & Sally Fernald
 Fiduciary Charitable Foundation
 Financial Institutions Service Corporation
 Joseph & Mary Fiore
 Firefly Restorations
 Desmond Fitzgerald & Lucinda Ziesing
 Chris Fitzpatrick
 A. Judson Flanagan &
 Marya Fogel-Flanagan
 Flash Photo
 Fleet Investment Services Corporation
 Fleet National Bank
 Foundation 51
 Ruth Fraley
 Thomas Francoeur & Sharon Secovich
 Gary & Denise Francoeur
 Gerard & Jane Francoeur
 Susan Francoeur
 Franklin Memorial Hospital
 The Friends of Casco Bay
 Friends of Morgan McDuffee
 Friends of Safe Family Exchange
 Elizabeth & David Fuchs
 Ray & Sandy Gauvin
 Martin Gellert
 George Stevens Academy
 Gerrish H. Milliken Foundation
 Edward & Joyce Gervais
 Gilder Foundation, Inc
 Gill Foundation
 Joshua Goldfein
 Goldman, Sachs & Co.
 Gorham Self Storage, LLC.
 Gorham Tractor & Equipment Co., Inc.
 Michael Goriarsky
 Carol & Vernon Gotwals
 David & Anne Gould
 Ralph & Hazel Gould
 The Joan H. & Stanley Gould
 Charitable Foundation, Inc.
 Charles & Dorothea Graham
 Grantham, Mayo, Van Otterloo & Co., LLC
 David Green & Myrth York
 Green Head Forge
 Allen Greenleaf
 Nancy Greenleaf
 Daniel Gregorie
 Guerrette Sales
 Catharine & Phillip Guiles
 Guilford Alumni Association
 Cyrus & Patricia Hagge
 Hal F. Reynolds Trust
 David & Sydney Hall
 Steven Hammond & Beth Snyder
 Hampden Academy
 Hannaford Brothers Co.
 Elizabeth & J. A. Haraden

The Harbor Foundation
 Gwendolyn Harmon
 Harold H. Dudley Charitable Foundation
 Charles & Ann Harriman
 Shepard & Melissa Harris
 Lynn Harrison
 Christopher Harte & Katherine Pope
 David Haskell
 James Hastings & Kathleen Whitaker
 Francis & Serena Hatch
 Jeanne Hathaway
 Gregory Hayward
 Dermot & Mary Ellen Healey
 Helen & William Mazer Foundation
 David & Vicki Henderson
 Merton & Harriet Henry
 Irving & Nancy Hibbard
 Horace & Alison Hildreth
 Hill Family Fund of the Triangle
 Community Foundation
 Nancy Hodermarsky
 Richard Hoffman
 Hal & Margaret Holmes
 Hope Elementary School
 Hope Recreation Committee
 Horizon Foundation
 William & Nina Horner
 Houlton High School Alumni Association
 Carol Howell
 Hunt Family Fund
 Coyle & Joanne Huntress
 Timothy Ingraham
 Jolan & James Ippolito
 Ira M. Cobe Trust
 Island Institute
 Islesboro School Department
 J.M. Hopwood Charitable Trust
 James & Julie Jackson
 Denholm & Peggy Jacobs
 The Jennings Foundation
 The Jockey Hollow Foundation, Inc.
 Theodore Johanson & Patricia Lundholm
 Dewitt & Jane John
 John W. Bristol Trust
 John Wiley & Sons, Inc.
 Leslie & Jill Jones
 Meredith Jones & Dana Murch
 Valerie Jones
 Jordan-Fernald
 Ken & Katharina Keoughan
 Felicity Kerr & David Reynolds
 Key Foundation
 Edward & Patricia Kfoury
 William Kieffer III
 Christopher & Dinah Kierstead
 Philip & Janet Kimball
 David & Alva King
 Angus King & Mary Herman
 Linda & Arthur Kingdon
 Jeanne & Paul Klainer
 L.L. Bean, Inc.
 Lange Rice Charitable Lead Annuity Trust
 Jean & William Langford

- Russell Legge
Licking County Foundation
Lincolntown Telephone Company
Juliana Little
Keith Lockhart & Lucia Lin
The Lunder Foundation
William & Claire Lyon
Mr. & Mrs. James Lyon
Macdonald Page Schatz Fletcher & Co.
Mahoosuc Land Trust
Maine Bank & Trust
Maine Development Foundation
Maine Educational Loan Authority
Maine Sea Grant College Program
Ronald & Jill Malony
Margot M. Merrill 1989 Irrevocable Trust
Courtney & Beverly Marshall
Marshall Healthcare and
Rehabilitation Center
Kenneth & Cherie Mason
MBNA Foundation Maine Grants Program
Laura McDill & Scott Winton
William McDuffee
Mary McFadden & Lawrence Stifler
Margaret McFarland
Samuel & Jennifer McGee
Charles & Nina McKee
Robert & Bonnie McKenzie
Michael & Abbie McMillen
Robert & Patricia McTaggart
MELMAC Education Foundation
Roger & Ruth Merchant
Michael & Chou Chou Merrill
Merrill Merchants Bank
Messler Family Foundation
Middlecott Foundation
H. E. & Kristen Mikkelsen
Phoebe & Gerrish Milliken
James Millinger
Leonard & Renee Minsky
Miriam Mitchell Charitable Lead Uni-Trust
Samuel Mitchell
Victor Montana & Patricia Vasbinder
James & Penelope Moodey
Charles Moore
John & Eva Morrill
Belva Morris
Reynolds Moulton
Mount Desert Island Historical Society
James Mroch & Mary Ratner
MUNIS, Inc.
Robert & Mary Naftzger
National Lesbian and Gay Community
Funding Partnership
The Nature Conservancy
New York Community Trust
The Next Generation Foundation
North Atlantic Capital Corp.
Northeast Cardiology Associates
Fay-Tyler & James Norton
Oakhurst Dairy
Ocean National Bank
Kathryn Olmstead
- Orono High School
Harold & Peggy Osher
P.G. Willey & Company, Inc.
The David and Lucile Packard Foundation
Daniel & Nancy Paduano
Pan Atlantic Consultants
Keith & Priscilla Patten
John & Joanne Payson
Payson Foundation
Michael & Barbara Peisner
The Pencoyd Foundation
Wendy & Dick Penley
Alan Peters
Cynthia Peters
Mary Peters
Joan Peters
Ruth Peters
Phalarope Foundation
The Philanthropic Collaborative
Walter & Joan Phillips
Phoenix Marketing Solutions, LLC
Daniel & Polly Pierce
Pierce Atwood
The Mr. and Mrs. Eliot Pierce Fund
Piscataquis Community High School
Portland Financial Planning Group, LLC
Portland Professional Hockey
Boosters Club
Portland Stage Company
Preti Flaherty Beliveau Pachios &
Haley, LLC
Princeton Park Dental Associates, P.A.
Pro Hockey Athletic Trainers Society
Professional Title Agency, LLC
Lawrence & Jean Pugh
R. J. Grondin & Sons
Audrey Rand
Victoria Randall
David Randall & Judith Jarashow
Rankins, Inc. Hardware & Building Supplies
John Raymond
Patricia Rice
Richard A. Ferrier Charitable
Remainder Trust
Sarah Richards
Patricia & Peter Schwindt Riley
Robbins Lumber Employees & Friends
Robert & Jane Toll Foundation
Robert & Maurine Rothschild Fund
Robert N. Haskell & Gladys M. Stetson Trust
Nancy Robertson
Marilyn M. & James Rockefeller
Rockland Public Library
Ryan Family Foundation
Joan Benoit & Scott Samuelson
Sandy River Charitable Foundation
Sangerville High School
Alumni Association
Sasco Foundation
Tom & Bonnie Sawyer
Bruce & Nancy Schatz
Diane Schetky
Mary Schley
- Hank Schmelzer & Cynthia Livingston
Marc Schnur
Susan Schnur
School Administrative District No. 44
Hilary Schultz
Curtis & Cornelia Scribner
John Sebastian
Second Baptist Church Sewing Society
Senator Mitchell Scholarship
Research Institute
Shalom House, Inc.
Paul & Carolyn Shapiro
Elizabeth & Prasad Sharma
David & Marjorie Shaw
George & Anna Shaw
Richard & Anne Silven
Judith & Donald Smith
James Snipes & Lynn West
Frank & Virginia Snow
Kathryn & Dwight Snow
Thomas & Anne Snyder
Society for the Preservation of
the Free Will Baptist Church
Society of Pro Hockey
Equipment Managers
Ellen & Steve Solms
E. Paul & Joan Sorensen
South Solon Historical Society
Jack & Anne Spiegel
Kenneth Spierer & Joan Leitzer
Edward & Heidi Steele
Stephen & Tabitha King Foundation
Steve Leuthold Family Foundation
Norman & Sandra Stevenson
A. Holmes & Doris Stockly
Charles & Nancy Stockman
Stonne Closing Dollars
Sturdivant Island Tuna Tournament Corp.
Sugarloaf Region Charitable Trust
Elizabeth Sullivan
William Sullivan & May Hatch
Gary Sullivan
Daniel Sullivan
Surdna Foundation, Inc.
Neale Sweet & Betsy Perry
Richard & Caroline Swett
Susannah Swihart & Karl Turner
Tedford Shelter
Landon Thomas
Lowell & Judith Thomas
Thomas H. Maren Foundation
Arthur & Marilyn Thompson
John & Dorothy Thorndike
W. Nicholas & Mrs. Thorndike
Daniel Thorne
Anna Marie & John E. Thron
Patricia Thurston
Margaret & Stephen Tipping
Calvin & Katherine True
The Trust for Public Land
- San Francisco
Charles & Lorna Tseckares
Turtle Gallery
- UBS Financial Services
UC Ellsworth Student Association
Hans & Rosemary Underdahl
Marie Underwood
Union Trust Company
United Way of Eastern Maine
United Way of Mid Coast Maine
UnitedKingfield Bank
UnumProvident
Anne Vartabedian
Viking Inc.
Vortech Corporation
W.P. Stewart Asset Management Inc.
William & Donna Wade
Ian & Diane Walker
Wayne & Michelle Walker
Ann & Bradford Wallace
Douglas & Lisa Walters
Edward & Candace Walworth
Thomas Washburn
Waterville Valley B.B.T.S.
Peter Webber
Sheila Wellehan
Bradford & Alice Wellman
Katharine Wellman
Joan Welsh
Wendling Foundation
West Street Grille
Ginia Wexler
Barbara Wheatland
Roger & Anne Whidden
Karyn Whitney
F. Mark & Pamela Whittaker
Windham Athletic Boosters
Joe & Carol Wishcamper
Carolyn Wollen
Woodcock Foundation
Mark & Constance Worcester
York County Community
College Foundation
George Young
David & Margot Youngs
Patty & William Zimmerman
- We regret that space precludes listing the many memorial and other donations under \$250.

Asset Stewardship

Effective stewardship of philanthropic assets is key to the Maine Community Foundation's ability to fulfill its mission of building charitable funds to strengthen Maine communities. Our investment goal is to preserve and enhance the real value of these assets over time.

The Investment Program

The Maine Community Foundation is known for its financial strength and prudent investment strategies. Through its Primary Investment Portfolio, the foundation offers donors and nonprofit organizations access to institutional investment strategies and management normally available only to large investors. The foundation employs multiple professional investment managers with experience in specialized sectors of the investment markets. Donors and nonprofit organizations can capitalize on the benefits of this multi-manager, diversified investment approach by working with the foundation.

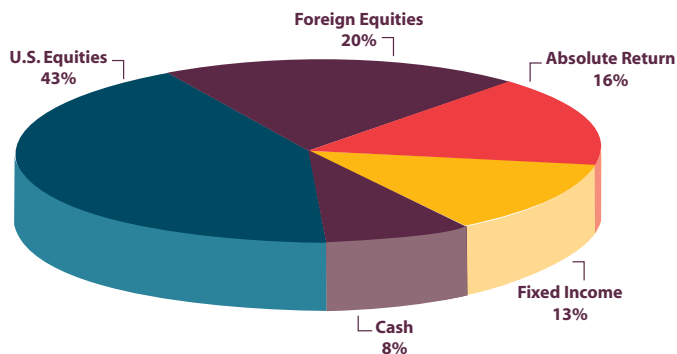
Investment Strategy

The Maine Community Foundation investment strategy calls for a portfolio diversified across U.S. and international assets. A diversified portfolio helps to maximize investment returns at acceptable levels of risk. The foundation also uses multiple investment managers in certain asset classes to further diversify its holdings.

The investment results of each manager are regularly monitored by the foundation's Investment Committee and Cambridge Associates, our investment consultants. The performance of each manager is measured against a specific benchmark appropriate to the specific asset class. Each manager is also measured against a peer group of similar style managers.

Primary Investment Portfolio Asset Allocation

As of December 31, 2003



Managing Investments

Selecting qualified investment managers is fundamental to the Maine Community Foundation's investment strategy. Managers are chosen for their expertise in managing specific asset classes and their proven ability over time to deliver favorable investment results. As of December 31, 2003, the managers of the Primary Investment Portfolio and their respective asset expertise were:

D.F. Dent and Company - U.S. small/mid cap growth equities
Fleet Investment Services - U.S. equity and fixed income securities
Fremont Funds - U.S. small cap growth equities
Shapiro Capital Management - U.S. small cap equity
W.P. Stewart Co. - U.S. large cap growth-style equities
Gardner, Russo & Gardner - U.S. and international value-style equities
Delaware Pooled Income Trust - international equities
Harding Loevner Management, LP - international equities
City of London - emerging markets
Mellon Bank - bonds
Commonfund Capital, LP - private equity
Davidson Kempner Institutional Partners, LP - merger arbitrage
Elliott International Limited - distressed debt and various arbitrage strategies
Fernwood Associates - distressed debt
Stark Investments, LP - convertible arbitrage
The Investment Fund for Foundations - private equity

Investment Committee Oversight

Members of the Maine Community Foundation's Investment Committee have extensive experience in business, investments and financial services. The committee sets investment strategy, hires outside professional managers and monitors investment performance against industry benchmarks.

The Investment Committee:

Forrest Berkley, Partner, Grantham, Mayo, Van Otterloo & Co., LLC, Committee Chair
Martha Dumont, former Director of Fixed Income Research, Lehman Brothers
Charles Harriman, Senior Vice President, Advest, Inc.
Christopher Harte, former President, Portland Newspapers
Peter Rothschild, Individual Investor
Henry L.P. Schmelzer, President, Maine Community Foundation; former President and CEO, Nvest Funds
J.B. Sullivan, President, Portland Global Advisors
Calvin E. True, Attorney, Eaton Peabody Bradford & Veague

The foundation also benefits from the expert counsel of several independent investment advisors. They are Betsy Cohen, Robert Rothschild and John Train.

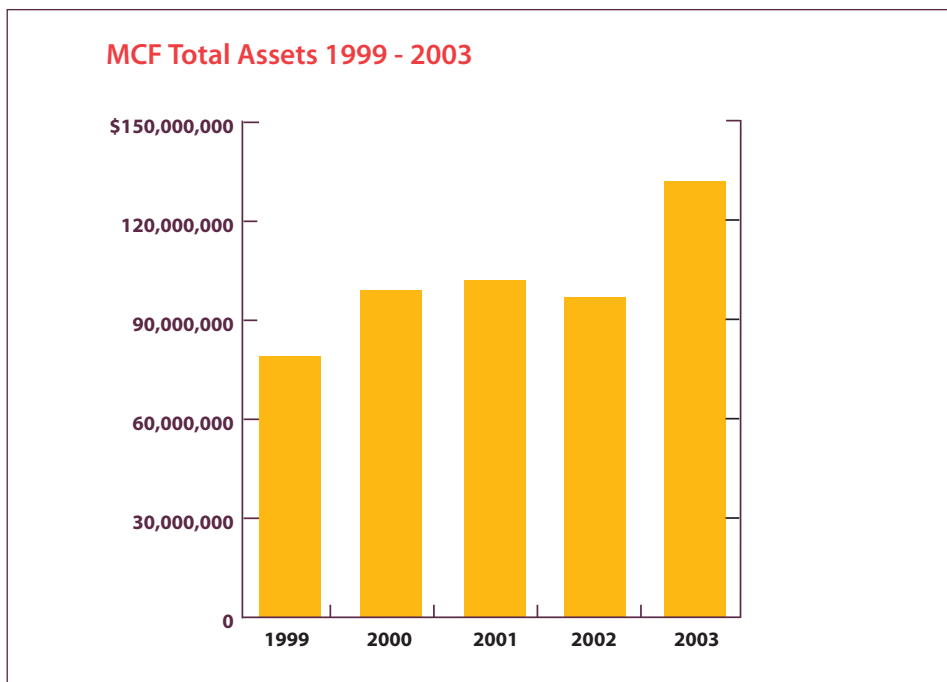
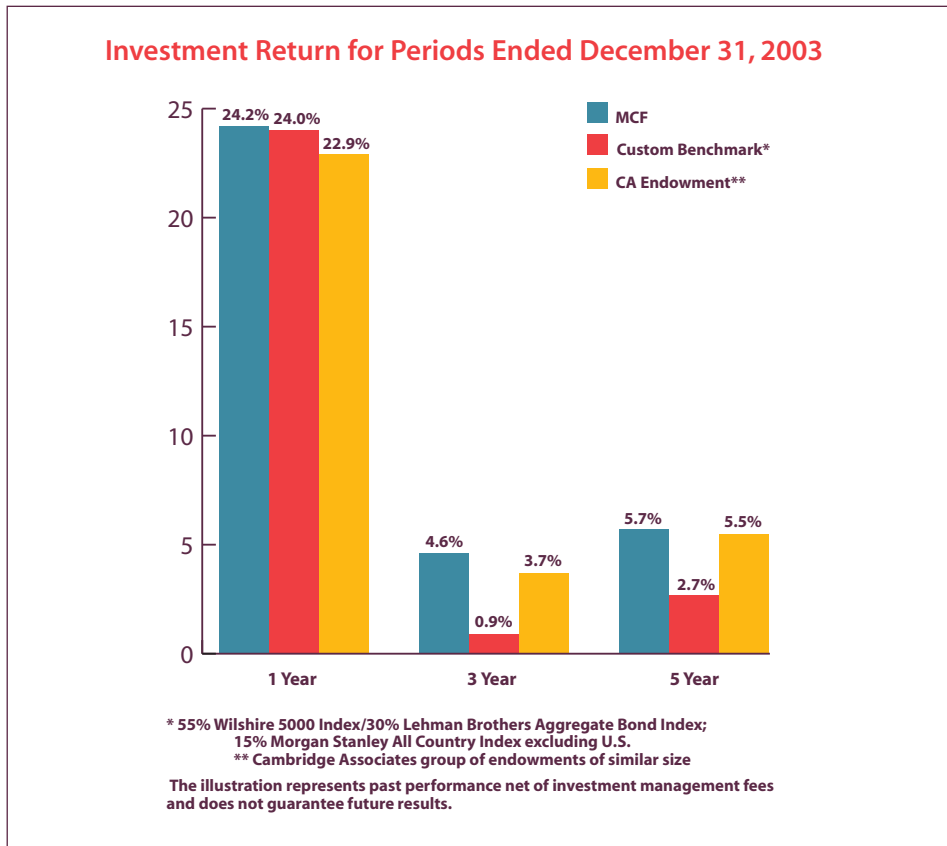
Cambridge Associates - Investment Consultants

Cambridge Associates, LLC, of Boston works with the Investment Committee to monitor the investment performance of individual managers and advises the committee on investment strategy, asset allocation and manager selection. The firm is one of the nation's leading investment consultants, serving a distinguished client base of over 600 colleges, universities and foundations.

Investment Performance

The return of the Primary Investment Portfolio for the five years ended December 31, 2003, was 5.7%, which compares favorably to the Maine Community Foundation’s custom benchmark designed to reflect its asset mix. It is noteworthy that in the difficult investment

market environment of recent years, the return on the Primary Investment Portfolio was in the top quarter of nonprofit portfolios monitored by Cambridge Associates. The foundation also ranked in the top five percent of the 115 community foundations recently reporting their three-year and five-year investment results.



Financials

Comparative Totals 2003 and 2002

Statement of Financial Position	2003 MCF	2003 Affiliate Organizations	2003 Total *	2002 Total
Assets				
Cash and cash equivalents	3,228,000	6,868,000	10,096,000	5,888,000
Investments, fair value	100,502,000	13,183,000	113,685,000	88,587,000
Contributions and other receivables	1,999,000	8,155,000	10,154,000	1,964,000
Other Assets	20,000	17,000	37,000	41,000
Property and equipment - net	462,000	50,000	512,000	561,000
Total Assets	106,211,000	28,273,000	134,484,000	97,041,000
Liabilities and Net Assets				
Liabilities				
Grants, accounts payable and accrued liabilities	126,000	4,514,000	4,640,000	950,000
Deferred Revenue	-	8,306,000	8,306,000	1,575,000
Funds held as agency endowments	5,189,000	-	5,189,000	3,585,000
Annuities payable	1,024,000	-	1,024,000	1,084,000
Total Liabilities	6,339,000	12,820,000	19,159,000	7,194,000
Net Assets				
Unrestricted	97,435,000	6,198,000	103,633,000	83,367,000
Temporarily restricted	2,437,000	1,255,000	3,692,000	2,980,000
Permanently restricted	-	8,000,000	8,000,000	3,500,000
Total Net Assets	99,872,000	15,453,000	115,325,000	89,847,000
Total Liabilities and Net Assets	106,211,000	28,273,000	134,484,000	97,041,000
Statement of Activities and Changes in Net Assets				
Support and Revenues				
Contributions and bequests	12,010,000	7,929,000	19,939,000	10,420,000
Investment Income	1,323,000	333,000	1,656,000	1,764,000
Net realized and unrealized gains (losses) on Investments	16,100,000	486,000	16,586,000	(8,206,000)
Other income	29,000	114,000	143,000	112,000
Transfers between funds, net	82,000	(82,000)	-	-
Total	29,544,000	8,780,000	38,324,000	4,090,000
Expenses				
Grants and program expenses	8,127,000	1,861,000	9,988,000	8,890,000
Administrative expenses	1,429,000	1,373,000	2,802,000	2,383,000
Depreciation	30,000	26,000	56,000	56,000
Total	9,586,000	3,260,000	12,846,000	11,329,000
Changes in net assets and agency endowments	19,958,000	5,520,000	25,478,000	(7,239,000)
Net Assets				
Beginning of year	79,914,000	9,933,000	89,847,000	97,086,000
End of year - December 31	99,872,000	15,453,000	115,325,000	89,847,000

*The annual audit of 2003 financial statement was not complete at the time of printing.

If you would like an audited financial statement, please contact our VP of Finance, Jim Geary, by email jgeary@mainecf.org or call the Ellsworth office toll free at 877-700-6800.

Grantmaking

The Maine Community Foundation is a family of more than 650 different funds. Some are dedicated to specific purposes, interest areas, or nonprofit organizations, while others are unrestricted. Together they reflect the diversity of charitable interests of Maine citizens and enable us to respond to a broad variety of organizations and issues.

The majority of grant awards come from donor-advised funds, the largest category of funds held by the foundation. Donor advisors are a vital part of the foundation because of their contributions of knowledge, expertise, connections, time and financial resources. In conjunction with its competitive grant program, MCF leverages additional funds by connecting donors to projects and organizations that match their interests. In addition to donor-advised funds, MCF holds a number of scholarship funds, designated funds, nonprofit endowments, and discretionary and field-of-interest funds.

Most of the funds that comprise the competitive grant programs support groups that respond to core and emerging issues, as well as those organizations and programs that are catalysts for positive and sustainable change.

MCF's web site (www.mainecef.org) provides detailed descriptions of all grant programs that accept proposals, including eligibility, application guidelines and deadlines. The common element among successful proposals is that they meet three core community-building criteria:

- Use existing community resources to strengthen community life
- Strengthen communities' and organizations' ability to meet future challenges
- Be sustainable or have a lasting impact after MCF grant funding is complete

Projects must also meet at least one of the following priorities:

- Build collaborative relationships and partnerships to plan, advance and evaluate the project
- Include the people who will benefit from the project in its planning, implementation and evaluation
- Develop and strengthen local leadership

Grantmaking is one of a number of MCF's community-building strategies. Additionally, the foundation administers scholarships; manages the County Program, which is focused on working with local people to promote philanthropy in all regions of the state; designs and participates in initiatives, such as the social capital study and the Maine Compact for Higher Education; provides technical assistance to grant seekers; and convenes groups to address new and emerging issues.

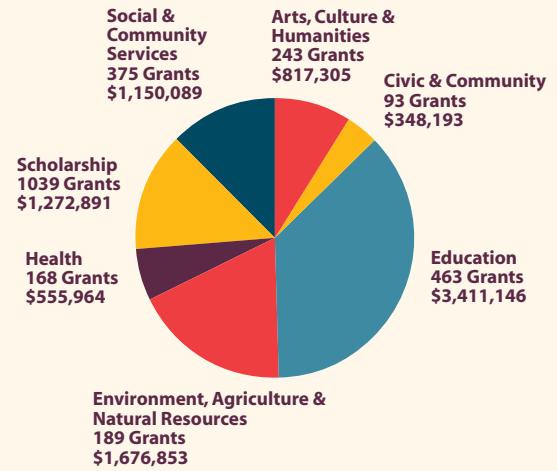
We welcome inquiries and feedback.

Grant Awards in 2003

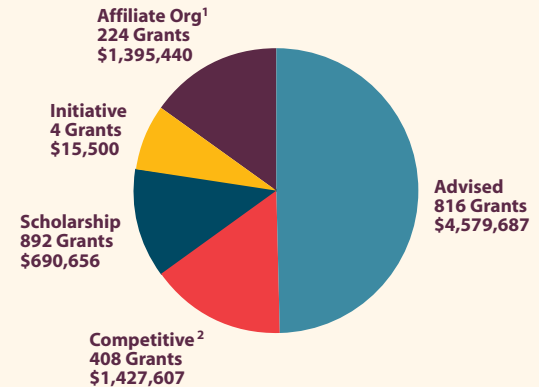
In 2003, the foundation awarded \$9.3 million, and we have granted more than \$50 million in our 20 years of existence. Below is a snapshot of our grantmaking last year.

Grants by Interest Area

Note: Grants and dollars awarded represent grants *made* rather than grants *paid*. These figures will differ from the 2003 financial statement since they include multi-year grants as well as grants that may have been rescinded.



Grants by Type



¹ Includes 128 Mitchell Institute Scholarship awards totaling \$530,000 and 86 other Mitchell Institute grants totaling \$816,540.

² Competitive includes discretionary funds, field-of-interest funds and advised funds with a competitive process.

Volunteering for Maine



The MCF board of directors met in scenic Rangeley, Maine, for its annual retreat.

MCF Board of Directors

Wendy Penley, Norway, Chair
 Rachel Armstrong, Falmouth Foreside
 David Becker, Portland
 Forrest Berkley, Swan's Island
 Stephanie Bunker, Dover-Foxcroft
 Tae Chong, Portland
 Anne Collins, Northport
 Caroline Donnelly, York Harbor
 Dermot Healey, Old Orchard Beach
 Merton Henry, Scarborough
 Horace Hildreth, Falmouth
 William Kieffer III, Bethel
 David King, Limestone
 Donna Loring, Richmond
 Leonard Minsky, Bangor
 Scott Planting, Farmington
 Carol Richards, Stonington
 Charles Roscoe, Yarmouth
 Marilyn Moss Rockefeller, Camden
 Bruce N. Schatz, Manchester
 Curtis Scribner, Yarmouth
 Kenneth Spierer, Portland, Secretary
 J. B. Sullivan, Yarmouth
 Art Thompson, Limestone, Treasurer
 Anna Marie Thron, South Portland
 Calvin True, Brewer
 Anne Vartabedian, Southport
 Robert Woodbury, Harpswell, Vice Chair
 Henry Schmelzer, Mt. Desert, ex officio

MCF Staff

Karen Allen-Maguire, Accountant
 Kate Blake, Assistant to Donor Relations
 and Program
 Marcie Bowden, Grants Manager
 Pam Cleghorn, Donor Relations and
 Program Officer, Portland Office
 James Geary, Vice President, Finance
 Karen Hartt, Donor Relations Associate
 Meredith Jones, Vice President,
 Program Development and
 Grantmaking Services
 Carl Little, Director, Marketing
 and Communications

Andrea Perry, Regional Funds Manager
 Amy Pollien, Assistant to President
 and Program
 Ellen Pope, Vice President, Donor Relations
 Charles Proctor, Information
 Systems Administrator
 Gail Richardson, Senior Accountant
 Henry Schmelzer, President
 Jennifer Southard, Director, Donor
 Relations, Portland Office
 Tanya Swain, Consultant, County Program
 Ann Tartre, Director, Donor and Program
 Services, Portland Office
 Peter Taylor, Program Officer
 Jean Warren, Program Officer and
 Scholarship Coordinator
 Timothy Williams, Receptionist

MCF County Advisors

Androscoggin County

John V. Bonneau, Esq.
 Steven A. Closson
 Nancy French
 Jody Goodwin
 Elaine H. Hackett
 Dermot T. Healey
 William C. Hiss
 Dick Kendall, Chair
 Scott Knapp
 William J. Schneider

Aroostook County

Marilyn J. Chase
 Richard C. Engels, Esq.
 Thomas E. Houghton, III
 Brent Jepson
 Kathryn J. Olmstead
 Virginia Pinkham
 Barrett Potter
 Susanne Sandusky, Chair
 Pam Scheppele
 Arthur H. Thompson
 Donna S. Umphrey
 Daniel J. Vaillancourt

Hancock County

Robin Alden
 Karen Dickes
 Benjamin R. Emory
 Dan Farrenkopf
 Shep Harris
 Aaron Porter
 Carol A. Richards
 Ann S. Waldron, Chair

Knox County

Mary Carey
 Ken Crane
 Stephen Crane
 J.B. Fecteau
 Doty Foote
 Polly Saltonstall, Chair
 Shannon Thompson
 Oliver Wilder
 Victoria Woodhull

Oxford County

Michael Burke
 Andrea Burns
 Anne W. Campbell
 Alan Day, Chair
 William Kieffer
 Maureen Mooney-Howard
 Jolan F. Ippolito
 Ann H. Morton, Vice Chair
 Wendy Penley
 Brian E. Shibles
 John Todd

Piscataquis County

Alan Bray
 Stephanie Bunker, Chair
 Gail D'Agostino
 Reuben T. Lumbr
 Theresa I. Mudgett
 Luke D. Muzzy
 Robert Pride
 Laura A. Reed, Vice Chair
 Merlene Sanborn
 Doug Smith
 Caroline D. Swett
 Van D. Wentworth

Waldo County

Janet Anderson
 Joe Brooks
 Alice Cheeseman, Chair
 Eleanor Daniels
 Wilson G. Hess
 Janey Knight
 Cathy Melio
 Rowena Mitchell
 Sam Mitchell
 Patrick Walsh

Washington County

Karen Burke, Chair
 Barbara Drisko
 Linda Godfrey
 Jeffrey Lovit, Esq.
 Alton N. Martin
 Randal L. McCormick
 Darin McGaw
 Brenda M. Mitchell
 Dianne Tilton
 Peter Wass
 Janet Weston

Western Mountains

Archie W. Berry
 Chuck Carpenter
 Dr. David Dixon, Chair
 Maurice Moreau
 Nancy Perlsion
 Scott Planting
 Robert Quance
 Vici Robinson
 Carl Van Husen

The Maine Community Foundation is grateful to these individuals for their gifts of time, energy and spirit.

Aristotle Fund

Ed Kfoury
Richard A. Spencer
Ann Willauer

Astor Fund

Wells Bacon
Anne Dalton
Candyce Emlen
Daniel Kimball
Paula Richardson-Gannon

Ira M. Cobe Fund

Barbara Adams
Susan Bolduc
Paul Cochrane
Jim Davis
Stephanie Francis
Heidi Piersack
Kyle Price
Patrick Walsh

H. King and Jean Cummings Fund

Warren C. Cook
Lee Cummings
Harold E. Woodsum, Jr.

Martin Dibner Memorial Fellowship For Maine Writers

Kathleen Ellis
Sylvester Pollet
Candice Stover

Emery Science Grants Fund

Jane Disney
Lin Gould
Craig Kesselheim
Pam Mitchell
Tim O'Brien
Patty Pinkham
Susan Tripp

Equity Fund

Lawrence Bliss
Kris Briggs
Brenda Broder
Brenda Buchanan
Marvin Ellison
Cathy Kidman
Eileen Monahan
Pat Peard
David S. Rappoport
Diane Sammer
Ken Town
Stephen L. Wessler

Guy P. Gannett Scholarship Fund

Matthew Algeo
Linda Fullerton
Kathryn Olmstead

Maine Charity Foundation Fund

Wilma Bradford
Bonnie Dwyer
Lloyd Knox
Jotham Pierce, Jr., Esq.
Larry A. Plotkin
Judith Webber
Robert Williamson, Esq.

Maine Expansion Arts Fund

Bland Banwell
Don Cyr
Bruce Hazard
Ervin Kimball
Kathleen Mundell
Jennifer Neptune
Victoria Woodhull

Jane Morrison Film Fund

Donna McNeil
Dorothy E. Morrison
Lance Cromwell
Liam Van Loenen

Pegasus Fund

Peter Drake
Cornelia Jones
Susan Martin
Rob & Robin Whitten

Penobscot Valley Health Association Fund

Kelly Bickmore
Frank Bragg, MD
Brad Coffey, Esq.
Clarissa Edelston, Esq.
Rhonda Geaghan
Edward Harrow, MD
Jill McDonald
Connie Ronco
Gary Smith
Janet Thompson
James Timmins
Kathy True
Constance Wells
Brian Welsh

Rines/Thompson Fund

Henry M. Rines
Anne R. Stanley
Frederic L. Thompson
Nathaniel P. Thompson

York County Children's Aid Society Fund

Ted Damon
William Kany
Sally Kennedy
Joyce Merrill
Patricia Ouellette
Joyce Purvis
Nancy Rumery
Kevin Savage

Nonprofit Partners

The Maine Community Foundation offers financial stewardship services to nonprofit organizations across Maine. The foundation currently manages endowments for the organizations listed below. We welcome inquiries.

The Bay School Fund
Brown Memorial Library Fund
Carver Memorial Library Fund
Friends of Casco Bay Endowment Fund
Chebeague Island Library Book Fund
Chebeague Island Library Endowment Fund
Fund for ME Island Education, a Memorial to Carol Evarts McLane Foundation 51 Permanent Fund
Greater Portland Big Brothers Big Sisters Endowment Fund
Guarino-Denmark Charitable Foundation Fund
Houlton High School Alumni Association Fund
Hospice of Maine Endowment Fund
City of Lewiston Education Fund
Loon Echo Land Trust Legal Defense Fund
Loon Echo Land Trust Polly Bartlett Fund
Mahoosuc Kids Fund
Mahoosuc Land Trust Fund
The Iris Network
Mount Desert Island Historical Society
Maine Farmland Trust Fund
Maine Island Trail Association Endowment Fund
The Monson Fund
Moosehead Historical Society Fund
Maine State Museum Heritage Fund
Maine Winter Sports Center Endowment Fund
NEFF Conservation Easement Monitoring and Enforcement Fund
Phippsburg Land Trust Fund
Verna Philbrick Memorial Fund
Portland Stage Company Endowment Fund
Porter Memorial Library Association Fund
Piscataquis Regional YMCA Endowment Fund
James East Periodical Endowment Fund - Rockland
Frances Roberts Woodman Book Fund - Rockland
Virginia Wellington Cabot Endowment Fund for Children - Rockland
Ebenezer and Diana Gay Endowment Fund for Books
Kenneth and Roberta Axelson Library Fund for Foundation Plantings
Kenneth and Roberta Axelson Library Fund Children's Library
Rockland Public Library Endowment Fund
The School Around Us Endowment Fund
Shalom House Endowment Fund
Southern Maine Senior Citizens Fund
SPFWB Church Fund
Sunrise Fund
Tedford Shelter Fund
Helen & Josiah N. Thompson Memorial Fund
United Way of Eastern Maine Fund
United Way of Mid Coast Maine Endowment Fund
Windham Athletic Boosters Endowment Fund
York County Comm. College Foundation Scholastic Endowment Fund

Business Partners

Maine Community Foundation gratefully acknowledges our business partners, whose underwriting supports the 2003 Report to the Community and who share our vision of strong, vibrant communities for all Maine people.



Thanks to the following individuals and organizations for their assistance in producing this report: Colleen Quint, Pamela Fisher, Mitchell Institute; Shannon Thompson, Youthlinks; David and Sandra Perloff, Fast Grants; Kirstin George, Chewonki Foundation; Sturgis Haskins, Downeast Senior College; Peter Cox, Dr. James Melcher, Kristin Worthley, Maine Policy Scholars; Laurie Schreiber; Donna Gold; T. F. Rohe, Alex and Kayla Speranza.

Quotation on page 2 from Maine Coalition for Excellence in Education report "Success Begins with Education," 1992.

Photo credits:

Cover: (c) Françoise Gervais 2004
P. 1: University of New England; Alison Aliosio, *The Bethel Citizen*
Pp. 2-3: *Portland Press Herald*
Pp. 4-5: Chewonki Foundation
P. 6: Samantha DePoy (self-portrait)
P. 9: Cookie Horner
P. 10: Ron Beard
P. 10: Pete Travers, *Bar Harbor Times*
P. 11: College for ME logo courtesy Swardlick Marketing
P. 22: Carl Little

TideLine Creative, Ellsworth, Maine
designed this Report to the Community
♻️ Printed on recycled paper by J.S. McCarthy Printers
Copyright 2004 Maine Community Foundation

MAINE COMMUNITY FOUNDATION

245 Main Street
Ellsworth, ME 04605
207-667-9735

One Monument Way
Suite 200
Portland, ME 04112
207-761-2440

toll-free 1-877-700-6800
info@mainecf.org
www.mainecf.org



MAINE COMMUNITY FOUNDATION

Fulfilling the promise of giving