



## 2014 Grant Report

Dear Friends of the Harold Alfond Foundation:

We are pleased to share this Grant Report summarizing our work in 2014 and offering guidance on future grantmaking.<sup>1</sup> For updates throughout the year, as well as additional information on the Foundation's work, please visit our website at [www.haroldalfondfoundation.org](http://www.haroldalfondfoundation.org).

### Financial Data and 2014 Grant Funding

Net of all grant payments, the Foundation closed the 2014 calendar year with assets of just under \$800 million, up from approximately \$727 million a year earlier. The Foundation had a 14.1% investment return in 2014, helped by strong equity markets in general and a 27.1% return on our favorite stock, [Berkshire Hathaway](#). Over the past three years, the Foundation has enjoyed annualized investment returns of 17.6%.

Looking ahead, we know markets are volatile and beyond our predictive powers to forecast. But this much is certain: we will have years in which our investment returns are far less generous, and even negative, in contrast to recent history. As such, we can only strive to remain disciplined and diversified in our investment process, seeking value and quality in what we own and with whom we invest.

As for spending in 2014, we paid out nearly \$33 million in grants, up from \$27 million a year earlier. Grants were made to 41 organizations, though spending (on a dollar basis) remained highly concentrated among a smaller number—14. Geographically, 92% of the Foundation's funding was directed to Maine institutions. And, given Harold Alfond's long-time preference for supporting the Central Maine communities where he and his family lived and worked, just under half of all funding was awarded in the Greater Waterville and Augusta areas.

Since Harold Alfond's passing in 2007, the Foundation has now awarded over \$230 million in grant support, primarily in Maine.

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<sup>1</sup> Committed to operating in a transparent manner, the Foundation is sharing this letter as one of several means by which we distribute information about our grantmaking and other significant financial, operational, and programmatic activities.

## Future Commitments

The Foundation closed the 2014 calendar year with binding grant commitments—money payable to charitable institutions in future years—of about \$27.5 million, down from \$34 million a year ago.<sup>2</sup> Our binding grant commitments have continued to decline in recent years, from a high of \$60 million at the close of 2011. In the years since, we have more than halved our favorite form of “debt” by making sizeable grant payments in support of major projects—MaineGeneral Health’s Alford Center for Health, Kennebec Valley Community College’s Alford Campus in Hinckley, and the University of New England’s Harold Alford Forum, to name a few. The Foundation’s spending toward these multi-year grant projects has not yet been replaced with new grant commitments of comparable size and scope. But we are working on it and see great promise in a variety of opportunities here in Maine and elsewhere.

## Grantmaking Preferences

In 2015, we will spend about \$36 million on grant projects. Of this amount, most has already been committed. Accordingly, as 2015 unfolds, we will be focused on identifying and cultivating new grant opportunities which meet our mission, preferred style of giving, and interests in education, health care, and youth development.

As we look ahead, we can offer the following perspectives to charitable organizations seeking grants from the Foundation and to others who may be interested in the Foundation’s thinking and future direction.

- First, the Foundation’s preference remains for large-scale, transformative projects with the potential to benefit the people and economy of Maine. But it is fair to say that our interest in these high-impact projects is greater now than it ever has been given the growth in the Foundation’s assets and our related need to increase spending. What has *not* changed is our interest in achieving the highest return on each dollar of philanthropic investment.

We are often asked what we mean by “transformative”. A key element, in our view, is that the project will offer a solution to a very clear and pressing need within an organization or a community. We have seen how a new building can transform a college campus or how a \$500 college savings grant can transform the way parents think about their children’s future. While high-impact projects are not always easy to identify or administer, we spend a lot of time working closely with partners who are experts on the ground and within Maine’s communities. We have a few new ideas in the works, but our grant pipeline is far from full. So if you know of a grant idea that is a true game-changer, please let us know.

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<sup>2</sup> The Foundation’s \$27.5 million of unpaid grant commitments does not include the long term commitment to the [Harold Alford College Challenge](#) (commentary below) and collateral for [MaineGeneral Medical Center’s](#) “Debt Service Reserve Fund” surety bond (see details in the 2011 and 2012 Grant Reports).

- Second, as an education funder, the Foundation is keenly aware of the state's many educational challenges and the relationship between quality education and a strong economy. We could choose to spread our funding across the entire education sector in Maine. However, we have chosen a different approach—to concentrate, primarily, at two very specific points along the educational spectrum—at birth and in higher education.

Occasionally, we may also fund secondary institutions when they are long-time grantees of the Foundation or had a connection to Mr. Alfond's philanthropy.

In all cases, the Foundation's education funding is designed to help support programs and efforts that, either 18 years from now or more quickly, will help grow the portion of Maine's population with a higher education degree which, in turn, should enhance our state's economy. Educational attainment and economic prosperity are joined at the hip!

- Third, the Foundation's top geographic preference remains Central Maine, and we are actively involved in projects to help revitalize Waterville and the surrounding economy. (More on that later in this Grant Report.) As such, we would welcome grant ideas specifically for Waterville and Central Maine.
- Fourth, as we touched on in last year's report, the Foundation has a preference for high-quality management and board leadership within an organization. We feel it is the primary factor in a project's eventual success. So we look for opportunities to fund well-run organizations and, when possible, to incorporate incentives into our grant agreements to strengthen organizational leadership.
- Fifth, we are keenly aware that Maine is a state with limited financial resources. It is also a state of many highly-motivated charitable enterprises working diligently to serve important missions. Many of these organizations are as fiercely committed to their cause as they are independent. And yet many, because of that independence, do not operate as efficiently or effectively as they could if they joined forces with others. As such, our grants will favor projects which foster quality partnerships and teamwork between and among organizations.
- Lastly, in general, we will continue to support organizations whose missions are consistent with Mr. Alfond's giving pattern and philanthropic history. For organizations seeking such support, we recommend that you take a close look at the [Grant Guidelines](#) page of our website.

With these perspectives for future grantmaking in mind, let's shift gears to a review of ongoing grant projects and their development.

## Harold Alfond College Challenge

On March 6, 2014, the 100<sup>th</sup> birthday of Harold Alfond, the Foundation announced that, through the Harold Alfond College Challenge, every Maine baby would now *automatically* be given a \$500 college savings grant. Parents would no longer be required to sign up (or ‘opt in’) to the Program by completing an application, as had previously been the case. This strategic shift meant that, going forward, the Foundation would more than double our annual grant outlay on the Program. We would spend an estimated \$6,000,000 per year on behalf of 12,000 or so Maine newborns. In other words, we would now be doing exactly what we had intended when we launched the Program statewide in 2009.

Much has been accomplished since that birthday announcement. The Harold Alfond Foundation, with operational leadership from our partners, the Alfond Scholarship Foundation and the Finance Authority of Maine (FAME), has now awarded almost \$24,000,000 on behalf of nearly 50,000 Maine children.

Our experience leading up to the adoption of the new ‘Automatic Enrollment’ strategy has taught us important lessons as we strive to make our grantmaking as effective as possible in reaching our goals. Here is a recap.

- Under the College Challenge’s original model, Maine parents were required to complete an application for the State of Maine’s 529 NextGen College Investing Plan<sup>®</sup>. And many families took us up on our offer: from the program’s inception in 2008 to the close of 2013, the Foundation awarded Alfond grants totaling \$11,500,000 to 23,000 Maine children. Our program increased college savings for children *in the 0-to-6 age bracket* by 10 times over the national average *for all children up to 18 years of age*.
- Still, for many new parents, the 529 Investing Plan application requirement, combined with other hurdles that new families face, made it difficult for the College Challenge to reach more than 40% of the eligible population. We also knew our program was missing the very children who would benefit most from it—those with parents of low incomes who lacked college educations, were unfamiliar with the investment world, and were likely not saving, or able to save, for their own retirement let alone their children’s higher education.
- Our team worked hard to increase participation. Using a variety of targeted marketing strategies, these efforts helped raise enrollment rates incrementally, but they came at increased marketing costs. Eventually, we had to ask whether we were making the best use of every dollar to reach our program’s three goals: (1) to award all Maine newborns the grant; (2) to use the grant award as a platform to communicate directly with families on a quarterly basis, as a means of informing and motivating them to prepare their children for future success; and (3) to encourage families to save on their own, alongside us, for their children’s higher education. Because we were directing nearly all of our

attention at enrollment, our efforts to communicate and encourage savings were not getting the attention they deserved.

- So, after five years of progress, it was time to regroup and advance the program to reach its full potential. We needed to maximize the impact of the program *by reaching all children*. To that end, we essentially ‘*opted out of opting in*’. Under our new strategy, parents are now no longer required to opt in to the program by signing up for a 529 account, though they have the right to opt out. We simply award the \$500 grants automatically.<sup>3</sup> The new strategy was made retroactive to January 1, 2013.

With our new automatic strategy, the first two goals of our program are accomplished: *every* baby is automatically awarded \$500 and *every* family receives our quarterly messages to promote their child’s success. As this report is posted to our website, we are now mailing nearly 50,000 family communications each quarter!<sup>4</sup>

But our third objective, to promote family savings, requires further help and greater community engagement. On that front, we are happy to report that good progress was made in 2014. Here are some highlights.

- Our program is currently working with over 20 leading Maine businesses on how they can encourage college savings among their employees. A primary focus is on expanding the number of employers offering payroll deductions into Maine’s 529 college savings plan.
- We are piloting programs with other charitable foundations to better reach low-income and/or rural Maine families. As an example, we have partnered with the John T. Gorman Foundation and Sam L. Cohen Foundation to work with Head Start programs in four Maine counties—Androscoggin, Cumberland, Kennebec, and York—to support parent enrollment and savings in Maine’s NextGen 529 plan. In a parallel effort, we have partnered with the Maine Community Foundation and Machias Savings Bank to work with kindergarten classes in Washington County. Taken together, these pilot programs will help us better understand the effectiveness of strategies promoting family savings for college.
- We have also taken the opportunity to share our story, lessons learned, and future goals with a national audience. Colleen Quint, CEO of the Alford Scholarship Foundation (ASF), has made presentations at conferences sponsored by CFED. The ASF has also become a

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<sup>3</sup> Operationally, FAME, uses state birth records and other publicly available data to trigger the set-up of new Alford grants automatically, with no application needed from parents.

<sup>4</sup> The Program’s communication strategy includes sharing information and materials with families 10 times during the baby’s first year—including at the hospital, where we encourage the completion of a “contact card” that helps ensure we have multiple means of reaching families in the coming years (mail, email, etc.). As is our longstanding practice, Quarterly Summaries are mailed to families on a regular basis to share clear and streamlined information about the total dollars invested for their child’s future education across multiple means of savings—for example, the Alford Grant, the family’s own contributions, and any matching grants received from FAME. Now, with the advent of “Automatic Enrollment”, we have developed a new version of the Quarterly Summary report for those families who have not yet opened their own 529 Investing account. The “Alford Grant Update” provides investment return information for the Alford grant only. Both the Quarterly Summary and the Alford Grant Update include Educational Tips for parents. These tips span four content areas (Finances, Literacy, Science & Math, and Health) and five age bands. Looking ahead, the Program plans more robust Educational Messaging for parents and their children.

close partner of the Federal Reserve Bank of Boston and the Consortium of New England States developed by the Boston Fed. Within this Consortium, ASF has provided additional consultation to each of the six New England states in support of their efforts to develop and implement similar college savings programs. Together, ASF and the Boston Fed co-authored an article that appeared in the *New England Journal of Higher Education* about this regional effort.

As we look to complete our first full year of Automatic Enrollment in the College Challenge, we know that simply giving \$500 and sending messages to every Maine newborn and family is not enough. We need partners to leverage these \$500 grants to build and expand the program's reach and impact statewide. To find out how you can become a partner in our program, please visit [www.alfondscholarshipfoundation.org/business-partners](http://www.alfondscholarshipfoundation.org/business-partners) or give Colleen a call at (207) 347-8638.

### Areas of Giving: Education, Health Care, and Youth Development

In addition to the dollars allocated to support the College Challenge, we fund charitable institutions in three broad areas of giving: Education, Health Care, and Youth Development. In most cases, the Foundation deploys matching challenge grants to inspire and leverage additional giving by others—a technique Harold Alford favored because it encouraged teamwork and enhanced the philanthropic return on investment.

Below, we offer commentary on select 2014 grants within the three areas.

#### Education

Of our three areas of giving, Education has long been the Foundation's principal focus. In 2014, funding for Education accounted for 51% of all grantmaking, not including the College Challenge. Like last year, we will mention five of our projects below.

- On occasion, the Foundation awards grants to test or explore a project concept. This technique allows us to support an organization's efforts while testing the waters on an idea before fully committing large grant dollars. This is the approach we took with our support for the **University of Maine System** (UMS).

You may have read—because it found its way into the papers quite quickly—that we covered the costs of a consulting firm (The Parthenon Group) to explore the idea of creating a 'Center for Professional and Graduate Studies' within the UMS. Conceptually, the Center has been envisioned to bring the graduate business programs at the University of Maine (UMO) and the University of Southern Maine (USM) together, and more closely integrate the combined graduate business curriculum of those programs with that of the Maine Law School. Business students would learn law concepts, and law students would learn business concepts. The Center would be headquartered in Portland—Maine's

business hub—but, through technology, academic programming would be accessible statewide. An essential component would be a close working partnership with Maine’s business community. This would ensure that students had a direct pathway to professional opportunities in Maine and employers could readily access high-quality management and legal talent. To underscore the importance of the business connection, the Center would be led by an enterprising CEO.

Last fall, The Parthenon Group concluded that the creation of a Center for Professional and Graduate Studies in Portland was a transformative concept for the UMaine System. Having received positive feedback from the state’s business and legal communities, Parthenon further concluded that a plan to bring graduate business and legal education under one roof could “catalyze growth of small to medium businesses across Maine.”

That said, Parthenon was careful to note that success will depend on three key factors: (1) the engagement of a strong external development committee and a dedicated entrepreneurial leader; (2) the development of a cutting-edge interdisciplinary curriculum actively integrated with business needs and opportunities; and (3) the development of independent space to support new programs and delivery systems.

The Foundation was encouraged by the Parthenon findings. It is no secret that the UMaine System is financially-challenged and that a ‘business as usual’ approach will no longer suffice. In that regard, this concept may well set an example for how the System’s universities and programs can work more closely and efficiently together for the benefit of students. Moreover, as Parthenon has learned from business leaders *statewide*, the center concept may directly bolster Maine’s economy.

Despite our optimism, the center concept remains in the exploratory stages and will require organizational and programmatic work to progress further. To keep the momentum going, the Foundation approved a second grant in the amount of \$1.25 million—this time to help increase leadership and execution capacity to test and develop the concept, as well as to build the public and private partnerships that will be essential for success.

Whether the Foundation will make any further grant commitments is unclear, but we will be watching closely.

- In the fourth quarter of 2014, **Thomas College** opened the doors of its new Harold Alfond Academic Center—the latest in a series of positive milestones for the College. To put it simply, Thomas is on a roll. We do not see President Laurie Lachance and her team slowing down any time soon. This momentum was very clear with the Academic Center project, as the Foundation was joined by countless other donors. They saw exactly what we saw and continue to know to be true: that with its high percentage of first-generation college students, Thomas is helping to reduce Maine’s “education deficit”. It is helping to

close the gap between our citizens' educational attainment and the labor force needs of employers.

- Thomas is not alone in its efforts. Also meeting the workforce needs of our state is the **Maine Community College System** and its seven colleges. For many, a community college education is the most affordable and relevant option for higher education—one that offers a direct return on investment in the form of marketable skills or training to enter a career field.

The Foundation's support of the MCCS is concentrated, not surprisingly, in Central Maine, at Kennebec Valley Community College (KVCC). As we have discussed in previous Grant Reports, the Foundation supported the MCCS and KVCC through a multi-year grant commitment. The funding enabled the purchase of 13 buildings and 600 acres from Good Will-Hinckley to be used to create a second campus for KVCC. Most recently, grant dollars were used to make improvements and additions to the new Alfond Campus in Hinckley. On that front, a beautiful new classroom and laboratory building opened last year. With the Alfond Campus, KVCC now has the ability to serve a larger number of students and to build and grow academic programs that are essential to the region's economic growth. These programs will make higher education *more* accessible to residents of Central Maine and beyond.

- A few hundred yards down Route 201, **Good Will-Hinckley** has also been busy. Its charter school, the Maine Academy of Natural Sciences (MeANS), is serving nearly 80 students (and has a waiting list of another 40). MeANS fills two important niches in Maine secondary education: it is the only Maine high school focused on the natural sciences and the only charter school that offers residential housing to students. Given the high demand for the experiential, hands-on learning approach offered at MeANS, enrollment could be much higher than 80 were it not for physical space constraints. We are helping to fix this with a \$5.5 million grant to fund the renovation and expansion of the Moody schoolhouse. When the \$7 million project (part of a \$10 million Capital Campaign) is completed this summer, the school will have the ability to serve up to 210 students. The school's strategic plan calls for enrollment to reach that level over the coming years. We know that, with the outstanding leadership of Jack Moore and his fellow board members, Good Will is well on its way. You can follow the construction progress or, better yet, make a donation to the Campaign by going to [www.gwh.org](http://www.gwh.org).
- Finally, having discussed our Education projects at the higher education and high school levels, we will conclude in Pre-K, with our grantee, Educare Central Maine. Located in Waterville, Educare is a high-quality learning and development center for children from birth to age five. It partners with families and communities to ensure "school readiness" for children. Educare's facility is state-of-the-art, designed to enhance the learning of each child. And Educare's programming is as cutting edge as its facility, with low child to

staff ratios, literacy development, an emphasis on nutrition, and the requirement of extensive staff training.

Since 2010, following the lead of the Bill and Joan Alford Foundation (a founding supporter), the Harold Alford Foundation has awarded grants each year for scholarships. The funding helps keep this center of excellence accessible to Central Maine families, regardless of family income. Meanwhile, Educare is increasingly looking “beyond the walls” to forge partnerships in the community and disseminate its best practices statewide.

### *Health Care*

Last fall, the largest health care construction project in the state’s history was completed, with the renovation of the Thayer campus of **MaineGeneral Health** in Waterville. The way we see it, Thayer is now the biggest and best outpatient health care center in the state.

As our grant funding for MaineGeneral’s Alford and Thayer Centers for Health winds down, Health Care has become a smaller portion of the Foundation’s total giving. Yet health care, particularly at MaineGeneral and as it relates to the education of Maine health care workers, remains of high importance to the Foundation.

### *Youth Development*

Youth Development spending increased considerably in 2014, as the Foundation began making payments toward a multi-year grant commitment to the **Alford Youth Center** (AYC), home to Waterville’s Boys and Girls Club and YMCA. The AYC facility was constructed back in 1998. Soon after its opening, Secretary of State Colin Powell called it “the biggest and best in the country.” We continue to agree. But, like any 15-year old building, the AYC was beginning to show some wear and tear. (The AYC runs the state’s largest licensed childcare program, serving 40,000 hot meals to children each year. So, it’s seen some use.) The bulk of the Foundation’s grant commitment will support capital improvements, ensuring that the building will continue to be a community resource for years to come. We have also allocated funds to help grow the development capacity of the AYC, as community financial support remains essential to the AYC’s ability to achieve its mission.

Our AYC grant raises an important issue which future grantees should address whenever they ask the Foundation to help fund building projects. As simple as it may sound, buildings need to be maintained. And if you construct a new building or renovate an old one, a credible plan must be in place—before the shovel goes in the ground—for covering the cost of maintaining the building in the future. Without such a plan, a capital construction project is deeply flawed—no matter how needed by, or attractive to, the population it serves. For this reason, all of our grants for capital improvements or new buildings will require the grantee to create and fund an endowment for maintenance and upkeep.

This year, we have added a new addition to our Youth Development grant portfolio—the Maine Sea Coast Mission’s **EdGE Program**. EdGE is making a huge difference in Washington County—the state’s most economically-disadvantaged county—but it is doing so very quietly. We know its work is worth highlighting, so here is some background.

The EdGE Program has an exceptional leader, former Pittsburgh Steeler Charlie Harrington. Under Charlie’s supervision, EdGE provides in-school, after-school, and summer camp programming for 750 children in 18 communities in Washington County, largely housed in existing schools and community facilities. The EdGE Program provides children with a safe, stable place to be exposed to new opportunities and make personal connections. The Program’s mission fits within our Foundation’s interest in youth development, and, in this case, we were inspired by the EdGE story.

The Program was launched over 12 years ago through a gift in honor of Ed Greaves, who had succumbed to cancer but dedicated many years of his life as a Mission trustee to help disadvantaged youth in Downeast Maine. In 2013, the Massachusetts-based Barr Foundation did what we like to do: it made a large matching challenge grant to build an endowment to secure the Program’s future. We followed suit by awarding \$1,000,000 toward the endowment, triggering a dollar-for-dollar match from Barr. Our grant was made in honor of Ed Greaves and the Barr Foundation for their leadership on behalf of children and families in Washington County. As is often our practice, our grant encourages EdGE (which stands for “Ed Greaves Education”) to explore programmatic partnership opportunities with other youth-driven programs such as the Alford Youth Center, Jobs for Maine’s Graduates, and the Harold Alford College Challenge.

### *Other Grant Funding*

The Foundation is committed to supporting organizations whose primary missions fall within our three areas of giving. That said, we occasionally support projects with blended or varying missions that have a connection to Mr. Alford’s past interests and philanthropy. As an example, we have often used this section of the Grant Report to highlight the work of individual arts organizations in Waterville. This year, and consistent with how our grant funding for the arts has evolved, we will describe how the Foundation is helping to bring these arts organizations together.

But, first, we want to offer a few words on why we have made supporting the arts in Waterville a priority.

Waterville, Maine was, for many years, the hometown of the Alford family. Naturally, then, the city and Central Maine more broadly, have been the focus of much of Harold Alford’s giving. His first major grant was to Colby College in the early 1950s to construct a hockey rink on Waterville’s Mayflower Hill. As Mr. Alford’s wealth expanded, so did the geographic reach of his

philanthropy—but a preference for Waterville remained. His Waterville grant highlights include support for Thayer Hospital and for the City’s Boys and Girls Club and YMCA, the latter to create the Alfond Youth Center.

It is fair to say that the “arts” were never a major focus for Mr. Alfond, even in Waterville. Yet he understood how important such organizations were to the fabric of the community. In that regard, at the ripe age of 86, and at the urging of his good friend and former trustee Bob Marden, Mr. Alfond made a major gift to the Waterville Opera House.

In more recent years, the Foundation has furthered the Opera House support, as well as made grants to other Waterville arts and cultural organizations. In these cases, we have used arts funding for capital, operational, and programming needs to help increase the number and the quality of events, shows, and films in the City. Through these targeted, organization-by-organization investments, we have sought to support the City’s economic development, believing that a vibrant arts scene can generate positive economic activity on Main Street and beyond. As evidence, we need only look to the cultural and economic ripple effects created by the newly renovated Colby Museum of Art, with its world-class Lunder Collection.

In 2014, the Foundation upped the ante. Specifically, as a catalyst for economic growth in the City, we are now investing in the arts *as a sector*, and we are doing so by encouraging collaboration and partnership among Waterville arts organizations. Here is how it works.

The Foundation has awarded grant funds to an organization formally known as the Waterville Regional Arts and Community Center, or “WRACC”. Until recently, WRACC’s primary mission has been to operate and maintain a mixed-use community facility (the “Center” at 93 Main Street), from which the arts were also promoted. With our funding—and the leadership and support of many, as described below—WRACC is now doing business as **‘Waterville Creates!’** (or “the WC”). With the name change comes a new mission: to coordinate the marketing and programming efforts for all of Waterville’s arts and cultural institutions. The WC is also well positioned to provide services that increase organizational efficiencies between and among institutions and to assist in the redevelopment of key historic properties as creative economy hubs.

Much has been accomplished already. The Board of the WC, led by Unity Foundation Chairman Larry Sterrs, is comprised of representatives of the city’s ‘anchor’ arts and cultural institutions: the Waterville Opera House, Maine Film Center, Colby Museum of Art, Waterville Main Street, Waterville Public Library, and Common Street Arts. The WC has hired its first Executive Director, Nate Rudy, who brings to the job great talent and experience in economic development, and a keen interest in the arts as an economic driver. Further, the WC has already completed a programmatic merger with the Common Street Arts organization. In the coming months, our grant funding will enable further staff development and the creation of a WC-administered grant incentive pool to encourage and foster collaboration between and among the anchor institutions.

We are excited about what lies ahead for Waterville, and not only for the arts. Our grant funds are currently being deployed across multiple Waterville investment areas. In next year's Grant Report, if not sooner via our website's Announcement page, we will be sharing those details.

### Looking to 2015 and Beyond

In 2015, the Foundation expects to make grants approaching \$36 million. With stable financial markets, our funding outlays in future years may increase still more. We recognize the challenge a growing asset base creates for a grant maker and are committed to meeting the challenge in a manner that is consistent with the mission established by Mr. Alfond for his Foundation and that seeks to achieve transformative impact for the State of Maine.

Finally, a quick note of thanks is due to our good friend Larry Sterrs, Chairman of the Unity Foundation. We work closely with Larry on many grant projects, particularly when the philanthropic interests of our respective foundations align. Larry will often take the lead on the ground, working directly with our shared grantee organization. In these cases, we rely on him for his insights, counsel, and much more, while marveling at his selflessness and commitment to community service. In Maine philanthropy, Larry Sterrs is a rock star!

On the following pages, you will find lists of our 2014 grants and future grant commitments, both organized by area of giving.<sup>5</sup>

Sincerely,



Gregory W. Powell  
Chairman

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<sup>5</sup> More detailed information for the Foundation can be found in the IRS 990-PFs tax returns, available for download at our website. Please note, however, that completion and posting of our 2014 990-PF and likely those of future years will lag the close of each year (sometimes significantly) as we receive illiquid investment tax return data after the May 15 filing date. This lag requires us to extend the time by which our 990-PF is finalized and filed. Accordingly, as we do in this letter and are likely to do in future grant reports, key financial highlights from the past year will be provided for more timely disclosure.

## Harold Alfond Foundation – 2014 Grant Payments

| <i>Area of Giving and Organization</i>      | <i>Amount</i> |
|---|---------------|
| <b>Harold Alfond College Challenge</b>      |               |
| Alfond Scholarship Foundation               | \$10,732,867  |
| <b>Education</b>                            |               |
| Bigelow Laboratory for Ocean Sciences       | 750,000       |
| Educare Central Maine                       | 534,715       |
| Good Will-Hinckley                          | 1,500,000     |
| Jobs for Maine's Graduates                  | 407,848       |
| Maine Community College System              | 3,015,107     |
| Maine Maritime Academy                      | 1,037,354     |
| Rollins College                             | 2,505,000     |
| Spurwink Institute – BARR Program           | 100,000       |
| Thomas College                              | 2,931,002     |
| Transylvania University                     | 1,000         |
| University of Maine                         | 1,022,075     |
| University of Maine Foundation              | 250,209       |
| University of Maine System                  | 600,000       |
| University of New England                   | 2,000,000     |
| <b>Health Care</b>                          |               |
| Belgrade Regional Health Care               | 15,000        |
| Kennebec Valley Behavioral Health           | 2,000         |
| MaineGeneral Medical Center                 | 2,000,000     |
| Spectrum Generations                        | 1,200         |
| Spring Harbor Hospital                      | 150,000       |
| <b>Youth Development</b>                    |               |
| Alfond Youth Center                         | 1,973,347     |
| Aroostook Teen Leadership Camp              | 500           |
| Maine Children's Home                       | 40,000        |
| Maine Winter Sports Center                  | 250,000       |
| Susan Curtis Foundation - Camp Susan Curtis | 14,440        |
| <b>Other</b>                                |               |
| Belgrade Regional Conservation Association  | 25,000        |
| Boston Lyric Opera                          | 15,000        |
| Boston Symphony Orchestra                   | 20,000        |
| Center for Urban Community Services         | 2,000         |
| Church Community Outreach Services          | 5,000         |
| Cuckolds Island Fog Signal / Light Station  | 250,000       |

**Other (continued)**

|  |                            |
|--|----------------------------|
| Friends of Quarry Road                       | 142,500                    |
| Huntingdon County Arts Council               | 1,500                      |
| Maine Economic Focus Initiative <sup>6</sup> | 40,000                     |
| Preble Street Resource Center                | 3,000                      |
| State House Museum                           | 15,000                     |
| The Pioneer Institute                        | 5,000                      |
| United Way of Mid-Maine                      | 12,500                     |
| Waterville Opera House                       | 129,590                    |
| Western Foothills Land Trust                 | 20,000                     |
| WRACC – Waterville Creates!                  | 200,000                    |
| <b><i>Total Foundation Funding</i></b>       | <b><i>\$32,719,753</i></b> |

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<sup>6</sup> This grant is being paid through the Initiative's fiscal agent, the Foundation for a Strong Maine Economy.

## Harold Alfond Foundation – Outstanding Grant Commitments\*

As of 12/31/14

| <i>Area of Giving and Organization</i>          | <i>Amount</i>       |
|---|---------------------|
| <b>Education</b>                                |                     |
| Colby College                                   | \$1,350,000         |
| Educare Central Maine                           | 750,000             |
| Good Will-Hinckley                              | 4,000,000           |
| Jobs for Maine’s Graduates                      | 192,152             |
| Maine Maritime Academy                          | 2,362,646           |
| Mitchell Institute                              | 2,000,000           |
| Rollins College                                 | 2,500,000           |
| Thomas College                                  | 554,658             |
| University of Maine                             | 989,925             |
| University of Maine Foundation                  | 250,000             |
| University of Maine System                      | 1,200,000           |
| University of New England                       | 199,585             |
| <b>Health Care</b>                              |                     |
| Kennebec Valley YMCA                            | 250,000             |
| MaineGeneral Medical Center                     | 2,552,188           |
| Spring Harbor Hospital                          | 150,000             |
| <b>Youth Development</b>                        |                     |
| Alfond Youth Center                             | 6,421,152           |
| Maine Sea Coast Mission – EdGE Program          | 1,000,000           |
| <b>Other</b>                                    |                     |
| Belgrade Lakes Association                      | 250,000             |
| Friends of Quarry Road                          | 142,500             |
| Maine Economic Focus Initiative <sup>7</sup>    | 160,000             |
| WRACC - Waterville Creates!                     | 200,000             |
| <b>Total Foundation Outstanding Commitments</b> | <b>\$27,474,806</b> |

\* This list does not include (1) the Foundation’s commitment to the Harold Alfond College Challenge, estimated to be at least \$6 to \$7 million per year; and (2) the Foundation’s commitment to backstop MaineGeneral Medical Center’s “Debt Service Reserve Fund” in the amount of \$23 million.

<sup>7</sup> This grant is being paid through the Initiative’s fiscal agent, the Foundation for a Strong Maine Economy.