



## **2010 Grant Report**

Dear Friends of the Harold Alfond Foundation:

The 2010 year was exciting and productive for the Foundation, and we are delighted to share our progress with you. As one of Maine's largest foundations, we are committed to operating in a transparent manner. To that end, we are posting this report to our [website](#) as one of several means by which to distribute information about our grant making and other significant financial, operational, and program activities. In addition to this report, our website provides access to our governance policies, our IRS Form 990 PFs, background information on our trustees and staff, grant making procedures, and grant announcements. We look forward to updating you on our work, and we hope you find this report and other similar periodic postings of value.

### **Foundation Developments**

When Harold Alfond passed away in 2007, he committed nearly all of his wealth to the Harold Alfond Foundation, and hand-picked trustees whom he knew well and respected professionally to administer it. In the years since Mr. Alfond's passing, as his estate has been transitioned to the Foundation, the trustees and staff have worked to develop the internal capacities and grant making processes necessary to manage the significant increase in the Foundation's asset base and its annual grant making.

One such development was the October launching of the Foundation's website, [www.haroldalfondfoundation.org](http://www.haroldalfondfoundation.org). Our website is designed to be the informational gateway to the Foundation, communicating not only governance information as discussed above, but Foundation grant making information including answers to common grant-related questions.

A second and related development is that grant seekers can now determine quickly if the Foundation is entertaining new grant requests by simply visiting our website's [Grant Guidelines](#) page. If grant applications are not being accepted, this page will say so. If grant applications are being accepted, grant seekers will be directed to log into our site, provide the required information and submit their application electronically. With this procedure, we hope to treat all applicants fairly,

screen out applicants for grants that do not fall in our areas of interest, and provide efficiency in our operations – saving more dollars for grants. In short, all grant applications and related materials are now required to be submitted online via the website.

Finally, Steve Akin joined the Foundation’s board in 2010. Steve brings a wealth of professional experience from his years in senior positions at Fidelity Investments, including president of Fidelity Personal Investments, the position from which he retired in 2008. I invite you to read more about Steve on our [Governance](#) page.

## **Financial Data and Future Commitments**

By downloading the [IRS 990 PFs](#) from our website, you will always be able to see detail on the Foundation’s finances. Completion and posting of our 990 PF, however, will lag the close of each year (sometimes significantly) as we receive illiquid investment tax return data beyond April 15 requiring us to extend the time by which the 990 PF tax return is finalized and filed. Accordingly, in this and future reports, we may highlight key financial items from the past year for more timely disclosure.

In 2010, the Foundation became fully funded, closing the calendar year with assets of just over \$607 million, up from approximately \$524 million at the close of 2009. This year the Foundation awarded \$10,269,723 in grants.

In addition to the dollars awarded in 2010, the Foundation made multi-year grant commitments totaling \$71.4 million. This figure does not include our long-term commitment to the [Harold Alfond College Challenge](#) that can be conservatively estimated at \$25.9 million over the next five years, and at least \$6 to \$7 million per year thereafter if 100% of Maine newborns enroll.

Going forward, with an asset base fully stabilized and funded, we will be making larger grant commitments as shown by those we made in 2010.

## **Preference for Large Scale, Transformative Grants**

The Foundation has a preference for awarding large scale grants with the potential to have a major transformative impact, and it made at least three such commitments in 2010, two of which were in the area of health care and healthcare education.

In May, the Foundation announced a substantial grant of \$35 million to [MaineGeneral Health](#) in support of its plan to create a new replacement hospital in North Augusta and an enhanced outpatient care center in Waterville. Our website includes links to both our [press release](#) and the [remarks](#) made at the hospital grant announcement event. Another highlight was our [announcement](#) at year end of a \$10 million [grant](#) to the [University of New England](#) in support of its efforts to build a new athletics complex and invest in healthcare education. Collectively, these grants will help to boost

the resources our state needs to provide high quality, accessible, and affordable care to the people of Maine.

We made a third large scale grant commitment of \$5 million to [Colby College](#) in 2010. This commitment honors the close and enduring relationship of the Alfond and Lunder families. Moreover, it is the lead gift to build a major expansion of the [Colby Museum of Art](#) to house and exhibit the [Lunder Collection](#) gift of Peter and Paula Lunder. The Lunder gift, one of the most important collections of American art ever made to a liberal arts college, includes works by James McNeill Whistler, Georgia O’Keeffe, Edward Hopper, Mary Cassatt, Winslow Homer, and many other American masters. The Collection will be available to the people of Maine, and will further elevate our state as a world class destination for fine art.

More information on these grants, as well as others we made in 2010, can be found on our [Announcements](#) page.

### **Focus on Central Maine and Projects with Statewide Impact**

In 2010, the Foundation awarded over \$10 million to 26 different charitable organizations, 25 of which are based and operate in Maine. Harold Alfond was a longtime resident of and supporter of organizations based in the City of Waterville, where over half (52%) of the Foundation’s 2010 grant funding was directed.

While Central Maine was Mr. Alfond’s primary philanthropic focus and remains the Foundation’s today, projects with a state-wide significance are of interest to the trustees. Accordingly, 36% of the Foundation’s grant dollars in 2010 were awarded in support of organizations with state-wide reach.

### **Harold Alfond College Challenge**

One such state-wide program is the [Harold Alfond College Challenge](#), to which 28% of the Foundation’s 2010 grant funding was dedicated. The College Challenge offers college scholarship grants of \$500 to every Maine baby under one year of age. Importantly, families are not required to add any of their own money to the account, though we hope they will do so. All they have to do is open a [NextGen](#) 529 investing account, administered by the [Finance Authority of Maine](#) (FAME), before the child’s first birthday. Once the account is opened, the Alfond Scholarship Foundation, our grantee, awards \$500 to the child’s account to be used for qualified higher education. The goal of the College Challenge is to enroll every Maine resident baby. If we are successful, the scholarships will cost approximately \$6 to \$7 million per year, based on current estimated annual birth rates. As far as we are concerned, the bigger the check we write for college savings of Maine’s children, the better.

While the statewide College Challenge program is only two years old, the results so far have been gratifying. Through the use of “Casting Calls” (events that give families the opportunity to receive help completing the application and get a professional photo of their newborn) and other state-wide marketing efforts, the program has a “take rate” of 40%; that is, 40% of all eligible Maine babies have enrolled in the program before their first birthday makes them ineligible. This can be compared to the approximately 6% of Maine families that had 529 investing accounts prior to the program’s inception. In total, over 8,000 Maine babies have been enrolled (up from 2,200 babies at the end of 2009), and approximately 30% of enrolled families have made contributions of their own to their child’s 529 investing accounts. As an additional bonus, for every four enrolled babies, a sibling account is opened as well.

Thanks to the inspiring efforts of our program partners the Alford Scholarship Foundation, FAME, the [Maine Compact for Higher Education](#), the [University of Maine System](#), the [Maine Community College System](#), the [Mitchell Institute](#), the [Maine Hospital Association](#), and the [Maine Community Foundation](#), we know this program is making a positive difference in encouraging families to save for their child’s college education.

For more information on the program, please visit its website [www.500forbaby.org](http://www.500forbaby.org) or peruse the [policy brief](#) on the program published by researchers at the Center for Social Development at Washington University in St. Louis. The brief is a publication of the [College Savings Initiative](#), which is supported by the [Lumina Foundation for Education](#) and the [Bill & Melinda Gates Foundation](#).

## **Areas of Giving: Education, Healthcare, and Youth Development**

Beyond the Foundation’s support of the College Challenge, the Foundation divides its funding among three main [areas of giving](#): Education, Healthcare, and Youth Development. While Healthcare funding in 2010 was limited – due in part to the significant dollars we’ll need to allocate to MaineGeneral Health in future years – the Education and Youth Development funding areas represented 41% and 17%, respectively, of all Foundation grant making in 2010.

### Education

Education funding to higher education institutions included grant payments to the University of Maine in support of its [hockey](#) and [football](#) programs, both of which were near and dear to Mr. Alford’s heart. The hockey support will cover much needed Alford Arena facility improvements, and was part of a larger commitment to UMaine in support of its effort to renovate the historic Memorial Gymnasium. The football support, which the program earned by raising matching funds, will help ensure that Maine Football has the resources it needs to continue to compete at the highest level in the Colonial Athletic Association. It is no secret that Harold Alford loved sports and saw great value in athletics to a college education. It is our hope that these investments in UMaine athletics will enhance the student experience and strengthen the University.

To help increase the number of Maine students who aspire to, pursue, and achieve a college education, Foundation funding was also allocated to the [Mitchell Institute](#), which provides a Mitchell Scholarship to a graduating senior from every public high school in Maine who will be attending a two- or four-year postsecondary degree program. The Mitchell Institute also offers its scholarship recipients innovative programs that promote leadership, professional development, and community service. In many ways, the missions of the College Challenge and Mitchell Institute are bookending the statewide problems of access to and the affordability of higher education in Maine. But the two organizations do not just have complementary missions, they are working closely together. Specifically, the Mitchell Institute has worked on behalf of the College Challenge to lead and inform our efforts to educate families on the importance of saving for their children's college education and of preparing their children for higher education.

### Youth Development

The Foundation's Youth Development funding has typically been allocated in support of youth recreation programs. Two such examples from 2010 are highlighted below.

First, the Foundation continued its support of the [Alfond Youth Center](#), a 72,000 square foot recreational facility that is home to the Waterville Boys and Girls Club and YMCA, the only such combined program in the nation. With a goal of encouraging partnership among these two organizations and the City of Waterville, the Foundation established the Center back in 1998 with a \$3 million lead gift, and we have provided over \$11 million in additional funding since. The Center was a favorite stop for Mr. Alfond, who loved to visit just as the children were arriving by bus to participate in after-school programs. In today's difficult times, it is even more important to support the Center's ongoing operations and to help ensure its long-term excellence for the benefit of the children of Waterville and surrounding communities.

Second, the Foundation made its first payment to the [National Football Foundation](#) in support of the Dick MacPherson Coaching Fund, a special charitable fund created in honor of legendary college football coach and Maine native, [Richard MacPherson](#), or, as many know him, "Coach Mac." In December of 2009, Mac received the highest award given to a college football coach – induction into the College Football Hall of Fame. To celebrate his induction and to honor his legacy, this Coaching Fund was established at the National Football Foundation to support youth football coaches and programs right here in Mac's home state. For every dollar donated to the fund, the Foundation is awarding a dollar, up to \$50,000.

### **Other Grant Funding**

While the Foundation is committed to supporting organizations whose primary missions fall within our three areas of giving – Education, Healthcare, and Youth Development – we occasionally

support projects and organizations with blended or varying missions that have a high potential for positive economic and community impact, emphasize the education and development of youth, and/or have a connection to Mr. Alfond's past interests and philanthropy. In 2010, 14% of all funding fell in this category.

One such example is the Bibby and Harold Alfond Children's Garden at the [Coastal Maine Botanical Gardens](#). Late in his life, Mr. Alfond was drawn to the Botanical Gardens because of its great potential and how it reminded him of his late wife, Bibby, who had a passion for education, children, and gardens. The Foundation – inspired by the vision of the garden to celebrate children's literature of Maine, and in honor of Mrs. Alfond – made the lead gift in 2009 to construct the Children's Garden, and endowed the Children's Garden in 2010 so its beauty and educational resources will be preserved for generations to come. The Children's Garden opened in July of 2010. As part of the Botanical Gardens, it has become one of the state's most popular attractions and an economic driver for the Coastal Maine region. If you haven't discovered the Gardens yet, we hope you will soon.

Finally, in 2010, the Foundation made its first payment on a \$2 million matching grant commitment to renovate and expand the [Waterville Opera House](#). This project appealed to our trustees because of its positive impact on the Waterville community and its arts-based educational mission. A cultural rendezvous point in Central Maine, the Opera House is a major source of pride in the region. If you haven't seen a production at the Opera House, we encourage you to give it a try. You'll be glad you did.

### **Looking to 2011 and Beyond**

We expect to make grants exceeding \$27 million in 2011. To that end, we have made several multi-year commitments in 2010 and in prior years that, as future payments are made, will bring us close to meeting or exceeding \$27 million in 2011 and thereafter. Regardless of amount, we will work hard to make all future grants in a manner consistent with Harold Alfond's pattern of giving and philanthropic principles with recognition of the state's pressing needs and opportunities.

Below, you will find lists of our 2010 grants and future grant commitments, both organized by area of giving.

Sincerely,



Gregory W. Powell  
Chairman, Harold Alfond Foundation

## Harold Alfond Foundation – 2010 Grant Payments

<i>Area of Giving and Organization</i>	<i>Amount</i>
<b>Harold Alfond College Challenge</b>	
Alfond Scholarship Foundation	\$2,823,500
<b>Education</b>	
Center for Furniture Craftsmanship	\$25,000
The Children’s Center	\$1,000
Colby College	\$2,900,000
Educare Central Maine	\$250,000
Gulf of Maine Research Institute	\$2,500
Maine Compact for Higher Education	\$5,000
Margaret Chase Smith Policy Center	\$1,000
Mitchell Institute	\$300,000
National Football Foundation	\$18,000
University of Massachusetts	\$2,000
University of Maine	\$500,000
University of Maine Foundation	\$250,000
<b>Healthcare</b>	
Belgrade Regional Health Center	\$15,000
Kennebec Behavioral Health	\$1,000
Waterville Meals on Wheels	\$16,000
<b>Youth Development</b>	
Alfond Youth Center	\$1,649,493
Aroostook Teen Leadership Camp	\$500
The Maine Children’s Home	\$15,000
The Richard MacPherson Coaching Fund (NFF)	\$18,270
Susan Curtis Foundation	\$64,700
USA Biathlon Committee	\$15,000
Waterville Little League	\$150
<b>Other</b>	
Belgrade Lakes Association	\$300,000
Coastal Maine Botanical Gardens	\$500,000
Old School Square, Inc.	\$25,000
United Way of Mid-Maine	\$12,500
Waterville Opera House	\$559,610

***Total Foundation Funding*    \$10,269,723**

## Harold Alfond Foundation – 2010 Grant Commitments\*

*As of 12/31/10*

<i>Area of Giving and Organization</i>	<i>Amount</i>
<b>Education</b>	
Colby College	\$5,600,000
Educare Central Maine	\$750,000
Rollins College	\$12,500,000
University of Maine	\$5,000,000
University of Maine Foundation	\$250,000
University of New England	\$10,000,000
<b>Healthcare</b>	
MaineGeneral Medical Center	\$35,000,000
<b>Youth Development</b>	
Pine Tree Society	\$500,000
<b>Other</b>	
Waterville Opera House	\$1,765,390
<b><i>Total Foundation Outstanding Commitments</i></b>	<b>\$71,365,390</b>

\* This list does not include the Foundation's commitment to the Harold Alfond College Challenge, estimated to be \$25.9 million over the next 5 years, and at least \$6 to \$7 million per year thereafter.