SWAN'S ISLAND YACHT CLUB

Endowment Campaign





EXPLORE

Swan's Island Yacht Club (SIYC) is a 501c3 nonprofit whose mission is to promote amateur sailing competition, water sport safety, good sportsmanship and responsible use of the marine environment by providing sailing education and free use of sailing equipment on the waters surrounding Swan's Island, Maine

Since 2017 the Club has offered sailing lessons to youth and adults at no charge. Both the year-round and summer residents of Swan's Island live simply, with few of the resources found on Maine's mainland. The necessary self-reliance of residents fosters a supportive community atmosphere, but there are limited opportunities to engage in a shared experience. SIYC has changed this by offering free sailing lessons to children and adults who learn a love of sailing without need of previous experience or a boat of their own. Adults who have never sailed before can attain experience and then make use of the Club's fleet of boats. Children of both year-round island residents and seasonal families learn skill and confidence on the Maine waters.

To continue sailing lessons at no charge and availability of the Club's sailboat fleet at easily affordable expense, SIYC seeks to build an endowment to supplement its member contributions and ensure a reliable source of future revenue.

The Club seeks to establish an endowment to ensure its financial sustainability for years to come

An endowment of $200,000 will produce approximately $8000 in annual disbursements to be put toward annual expenses, continued maintenance of the Club's expanding base of assets and a reserve for future capital expenditures. Limiting spending to 4–5% of principal each year will allow annual reinvestment of approximately 2% to continue the Club's growth and offset future inflation. SIYC has retained the investment management firm Birchbrook located in Bangor, Maine as its Registered Investment Advisor. Birchbrook is an independent firm that supports nonprofits in the state, including on Swan's Island. The firm will act as a fiduciary advising the Club's board on its investment strategy. Their fee-based compensation plan (at a reduced nonprofit rate) ensures alignment with the Club's interest in maximizing its return on investment while taking risks appropriate for a nonprofit endowment.

Why an endowment now?

In the eight years since its founding, the Club has built an impressive community of enthusiastic sailors and a portfolio of boats and equipment for their use. More than eighty member families contribute funding, and a fleet of thirteen sailboats and five dinghies are at their disposal. The Club relies on the labor of its members for much of the preparation and storage required at the start and end of the sailing season. However, it still requires a variety of paid services to care for its assets and provide a safe environment for its constituents, and the cost of these is escalating. As a nonprofit, the Club believes it is important to offer membership at a variety of donation levels so as to be affordable to anyone and to offer sailing lessons to children and adults at no charge. In addition, the Club's leadership endeavors to continue to expand its membership base through additional community activities that are open to the public, such as rowing opportunities, destination events to other islands and other social gatherings on Swan's Island. By further supporting Swan's Island's residents and visitors in multiple ways, the Club believes it can make an impact both culturally and economically in this unique place.

In 2024 the Club experienced a decline in membership as some generous members aged out of sailing. Meanwhile, expenses increased (Table 1). In 2025 the Club recruited additional volunteers to replace most of the paid summer staff hired the preceding year. This, with some additional donations, should enable it to break even for the year. However, some fixed expenses (insurance, rent) are rising faster than membership fees, and the long-term sustainability of the Club requires a long-term investment in its future (Table 2).



COMMUNITY

Table 1 Recent Revenues and Expenses

MEMBERSHIP		2023		2024	
Category	Giving Level	Revenue	Numbers	Revenue	Numbers
Whale	$1000	$10,000	10	$6000	6
Dolphin	$500	$8000	16	$10,000	20
Tuna	$250	$1500	6	$1,000	4
Bluefish	$150	$1500	10	$450	3
Mackeral	$75	$775	11	$750	11
Minnow	$25	$125	5	$125	6
Card/sales		$147		$700	
Totals		$22,047	58	$19,025	50

ANNUAL TOTALS	2023	2024	CHANGE
Donations	$5800	$3658	$(2142)
Membership	$21,900	$18,325	$(2875)
Other	$147	$700	$(147)
Total revenue	$27,847	$22,683	$(5164)
Total expense	$26,214	$28,268	$2053
Net income (loss)	$1633	$(5585)	$(7218)

Table 2 Fixed Expenses

EXPENDITURES	2023	2024	PERCENT CHANGE
Fleet Maintenance	$3349	$2607	-22%
Float Maintenance	$8553	$4000	-53%
Other Repairs	$274	$117	-57%
Total Insurance	$5801	$7061	22%
Total Occupancy	$6000	$7250	21%
Total Payroll Expenses	$1230	$5155	319%
Supplies and Materials	$500	$1249	150%
All Other	$507	$828	63%
Totals	$26,214	$28,268	8%

Fixed Assets

ASSET LIST AS OF DECEMBER 31, 2024

Asset	Quantity	Balance Sheet Value
Bullseye boat and trailer	3	$10,500
Herreshoff Catboat and trailer	1	$4500
Large Float	1	$14,800
Mercury Sloops	3	$4500
Outboard Motor	3	$1714
Ramp	1	$14,337
Small Float	1	$7500
Triad Trailers	5	$12,000
Dinghies	2	$1600
Inflatable Dinghies	3	$2100
Dory Rowboat	1	$1000
Vanguard Optimist Sailing Dinghies	6	$6000
Total Fixed Assets		$80,551

Endowment investment policy

The Club's Board will approve a formal Investment Policy Statement that will specify the investment objectives and policy guidelines for managing the assets of the endowment. The primary investment objectives will be to blend the preservation of capital, the long-term growth of that capital, and the generation of annual income that can be dispersed to meet necessary Club expenses.

It is anticipated that a portfolio of investments would be constructed as the endowment grows toward its target, which would reflect a diversification between 70% equity investments and 30% interest-bearing investments, and 60% to 40%. These are typical portfolio weightings considered to be moderately aggressive that for many invested endowments in recent decades have over time produced 6% to 7% annual returns of which 4% to 5% can be dispersed annually. Within these categories would be a mixture of investments to ensure adequate diversification (volatile/non-volatile, short term/long term, etc.) in low-cost Exchange-Traded Funds or selectively chosen alternatives. The investment advisor will re-balance the portfolio regularly during the year in order to adhere to the diversification guidelines. The Club Treasurer will report the investment holdings and performance to the Board at its regular meetings at least once a quarter, and the Board will formally review the portfolio with the advisor annually.

TRADITION

On this small island in the Gulf of Maine, a wonderful institution has been created through the vision and hard work of numerous committed volunteers

Thanks to the generosity of many an impressive fleet of boats, equipment, floats and ramps has been established and a passionate community of novice and experienced sailors has come together for mutual enjoyment and learning. Building an endowment today ensures the continuation of this program for the current generation and for those to come. It will create a sustainable legacy for the quality of life on Swan's Island.

