From the Chairman

Two significant milestones were reached in 2014. At year end our assets crossed the $50 million dollar threshold. Equally significant we hit an all-time high in the total value of grants, scholarships, and related expenses awarded in a single year — $2,633,863. I don’t think anyone anticipated that we would reach these milestones in a little over 20 years and grow into the fourth largest community foundation in Maryland. It is a testament to the extraordinary generosity of this community and the exceptional commitment of the Board of Directors and the many volunteers who have supported the Foundation over the years. It is also a tribute to the incredibly hard work of our staff.

We are delighted to welcome eight new board members to the Foundation, and I want to thank three members who completed their second term on the Board of Directors this past year and whose service to this community has been exemplary — Elizabeth Brice and Neil LeCompte from Queen Anne’s County and Sandy McAllister from Dorchester County. We simply could not serve this community effectively without the commitment of our community volunteers.

W. Moorhead Vermilye
Chairman
HELEN FRANK LEAVES UNRESTRICTED BEQUEST

Helen Frank retired to the Easton area with her husband, N. Robert Frank MD, after a very successful 36 year career in medical administration at Boston City Hospital. She received recognition for her unwavering support of the Department of Infectious Disease throughout her career. In her personal life she loved to travel and was an exceptional fencing champion; she was also devoted to animals.

Her first connection with the Foundation was in 2005 when she created a Charitable Gift Annuity to benefit Talbot Humane. As a reflection of her continuing commitment to her adopted community, she also left an unrestricted bequest of $200,000 to support the work of the Mid-Shore Community Foundation.

The Board of Directors allocated half of that bequest to an endowment to support the mission of the Foundation. The remaining half was distributed in equal portions to each of the new endowments recently created to support grant-making in the five counties served by the Mid-Shore Community Foundation.

Helen Frank, through her estate planning, has left an enduring legacy to this, her adopted community.

HARRY AND CREIGHTON RHODES ESTABLISH DESIGNATED FUND

The Mid-Shore community lost an extraordinary community leader, educator and friend with the passing of Dr. Harry C. Rhodes at the age of 99. Dr. Harry, as he was known by many, and his wife Creighton, who died in 2009, were devoted to their Eastern Shore community and particularly to Queenstown where Harry’s family goes back many generations. In reflecting on his years together with his late wife Creighton, Harry commented, “We’ve been very fortunate in our lives. We’ve had good health and have no regrets. Because of that, we’ve always felt we wanted to give something back to this community – carrying forward our giving spirit for the next generation.”

During their lifetimes, Harry and Creighton established a designated endowment fund at the Mid-Shore Community Foundation with the intent to build on that endowment on an annual basis and then devote a significant portion of their estate to create a permanent civic legacy for their community. Harry explained, “The Fund will allow us to continue supporting the local organizations we have always supported after we are gone.”

Harry served on the Board of MSCF and understood the critical importance of permanent assets that would continue to nourish this community in perpetuity. He included MSCF among the local charities that will benefit from the Harry and Creighton Rhodes Fund in perpetuity. While the community will greatly miss Harry and Creighton’s presence and friendship, their civic spirit will live on through this fund as a lasting testament.

FAMILY CREATES MEMORIAL FUND FOR TOM AND ALICE ROBINSON

The Thomas E. and Alice B. Robinson Fund was established by the family this year as a memorial to Tom’s work with the Foundation. He devoted many years of volunteer service to MSCF as a secretary to the Board, acting interim Director and in service on the Grants Committee. During those years he discovered the many ways in which the Foundation enriched the lives of Mid-Shore residents.

Tom was an attorney who held positions in academic administration and in government service. Like many, he and his wife Alice came to love the Eastern Shore as visitors and then decided to move to Talbot County in retirement. While Tom was devoting his volunteer time to MSCF, Alice was active with the local humane society.

The family created this discretionary fund to provide additional assets to the Grants Committee of MSCF to address the most urgent needs in the community. Tom understood the importance of discretionary assets at the Foundation and how those assets could be deployed by the Foundation to address critical initiatives and programs in the Mid-Shore Region.

How can you contribute?

1. Give to the Founders’ Fund of the Mid-Shore Community Foundation

Make a gift to our permanent endowment, and enable us to address the current and future needs and opportunities of our region, and its people. Gifts can also be targeted to one of the five Mid-Shore counties – Caroline, Dorchester, Kent, Queen Anne’s, and Talbot, and at certain levels, be used to established as named funds.

2. Open a Fund

Establish a new fund at MSCF to address specific areas of interest within the community, to provide scholarships and educational grants for future leaders, or to support a specific charity. New funds can be created with an initial investment of at least $10,000.

3. Volunteer

Join your colleagues and friends within the community as a volunteer on one of MSCF’s advisory committees, or in support of one or more of our nonprofit partners.

4. Leave a Legacy

Plan a gift with MSCF to address the causes you care about and to reflect how you would like to be remembered within your community. We have a number of planned giving options.

Visit us at www.mscf.org to learn how you can support this community by becoming a donor.
FISCAL SPONSORSHIP OF COMMUNITY INITIATIVES

12 New Fiscal Sponsorships were established in 2014 enabling important community initiatives. MSCF serves as the charitable sponsor and provides fiscal and administrative support:

- Bellevue Royal Oak Cemetery Association
- Bells of the Bay
- Gilbert Byron House
- Cover Your Chin for Charity
- Lunar New Year
- Classic Motor Museum of St. Michaels
- Mid-Shore Early Learning Center
- Community Newspaper Project
- Talbot Parent Coalition
- South Caroline Basketball
- St. Michaels After School Help
- Wings & Wheels

THE FOUNDATION CENTER SPONSORED FOR AREA NONPROFITS

MSCF sponsors access to the Foundation Center’s Foundation Directory Online, the nation’s leading online funding research tool. The fully searchable database details profiles of more than 100,000 grant-makers nationwide.

Maryland Nonprofits, the Grayce B. Kerr Fund and MSCF will sponsor Standards of Excellence certification for local nonprofits in 2014-2015!

ENDOWMENT SUPPORT THROUGH AGENCY FUNDS

2 New Agency Funds were created to build permanent assets to support the mission of local charities:

- Horizons of Kent County
- Phillips Wharf Environmental Center
- Oyster House Project

NONPROFIT RESOURCE CENTER SPONSORS WORKSHOP SERIES

MSCF partnered with Maryland Nonprofits and other training providers to strengthen and support Mid-Shore nonprofits.

- Increasing Board Member Engagement in Fundraising
- Board Member Recruitment and Succession Planning
- Budgeting for Grant Applications
- Charitable Gift Annuity Strategies

Fundraising/Program Partners

Bellevue Royal Oak Cemetery Association
Bells of the Bay
Gilbert Byron Fund
CarePacks Talbot County
Carpe Diem Arts Outreach
Character Counts! Kent County
Cheshtertown Book Festival
Classic Motor Museum of St. Michaels Community Newspaper Project
Cover Your Chin for Charity
Frederick Douglass Day
Easton Airport Day
Easton Business Alliance
Empty Bowls Dorchester
Empty Bowls Talbot
Eastern Shore of Maryland Human Trafficking Task Force
Essential Giving
Imagination Library Talbot County
Kent Forward
Lunar New Year, Mid-Shore
Mid-Shore Community Band
Mid-Shore Early Learning Center
Mid-Shore Wounded Veterans Program
Operation Christmas Spirit
Our Hearts for Kids
Oxford Day
Richards Memorial Park
South Caroline Basketball
Spring Hill Cemetery
Nick Spay Memorial Fund
St. Michaels After School Help “SMASH”
Talbot County Youth Livestock Fund
Talbot Interfaith Shelter
Wings & Wheels

Non-Profit Partners

ACE Mentor Program
of Maryland’s Eastern Shore
Academy of Art Museum
Avalon Foundation
Bay Hundred Community Pool
Boy Scouts of America, Del-Mary-Va Council
Caroline Hospice Foundation
CASA of Talbot and Dorchester Counties
Chesapeake Bay Maritime Museum
Channel Marker
Chesapeake Chamber Music
Chesapeake College Foundation
Chesapeake Wildlife Heritage
Chesterwye Center
Church Hill Theatre
Crisfield Bay Community
Chesapeake Culinary Center
Delmarva Community Services
Dorchester County Historical Society
Eastern Shore Land Conservancy
Girl Scouts of the Chesapeake Bay
Habitat for Humanity Chesapeake
Historic Society of Talbot County
Historical Society of Kent County
Catholic Human Services Council
Mid-Shore Mental Health Systems
Mid-Shore Riverkeeper Conservancy
Oxford Community Center
Philips Wharf Environmental Center

Students cheer Wye River Upper School completion.
GRANT MAKING FUNDS AT MSCF

American Legion Post 192 Foundation
American Legion, Blake-Blackston Post 77 Fund
Andrew Family Foundation
Blenda W. and Bruce C. Armistead Fund
Artistic Insights Fund
Lloyd Lowdies Beauty, Sr. Fund
Breezy Point Fund
Bryan Brothers Foundation
Fund for Caroline County
Chester town Library Preservation Foundation - Pasa Fund
Chester town Library Preservation Foundation - The Clifton Fund
Cold Day Fund
Community Investment Fund
Rae De W. and Mary P. Coor Fund
C. Paul Cox Family Fund
Critchlow Adkins Children’s Centers Endowment Fund
CTC Family Fund
Daisy Fund
Damon/Sheery Family Fund
Marci Bee Dayton Memorial Fund
Fund for Dorchester County
The Draut Fund
Easton Volunteer Fire Department
Elm Street Development
Eastern Shore Community Fund
ElserFund Family Fund
Ferree Fund
Founders’ Fund
Granville Fund
Groundhog Day Fund
Marie Harkow Patients in Need Fund
Dave Haslip/Lou Gehrig
Athletic Scholarship Foundation
Mary Anne Hatcher Scholarship Award Funds
Jane and Robert Hehalow Foundation
Margaret Herring Fund
Bonnie Hightman Cancer Fund
Roberta B. Holt Fund
Jabez Fund
Katra Fund
Fund for Kent County
Timothy Kem Memorial Fund
Michael D. Kilgus Dollars for Scholars Fund
Arthur H. Kudner, Jr. Fund
Lampighter Foundation Fund
Alice Bartlett Lane Fund
for the benefit of the Dixon House
Frederick N. and Phyllis H. Leonard Fund
Hope Fulton and Joel C. Leuchter Philanthropic Fund
Edmund Lindemuth and Melvyn Schofield
Endowment Fund
Col. Edgar & Catherine Linthicum Fund
Friends of the Little Red Schoolhouse Endowment Fund
Richard Lockhart Fund
for the benefit of the Benedictine School
Joseph S. Mansfield, Sr. Memorial Fund
Merriewold Fund
Mid-Shore Realtors Foundation
Bill and Judy Munn Family Fund
Nagel Family Fund
David A. Nagney Foundation
for Perinatal Education and Research
John M. Nashold Fund
for Saints Peter and Paul High School
Friends of the North Easton Sports Complex Fund
Bill Brooks, Charlie Capute, Marty Mallaney, David Talley, John McGinnis with MSCF
President, Buck Duncan.

7 NEW FUNDS JOIN IN GRANT MAKING AT MSCF

American Legion, Blake-Blackston Post #77 Fund
Cold Day Fund
Eastern Shore of Maryland
Human Trafficking Taskforce Fund
Jabez Fund
MaryLou McAllister Fund of the Women & Girls Fund
Thomas E. and Alice B. Robinson Fund
Charles H. Thornton Family Fund

Business Community & Organizations Contribute $447,000 to Support Work of MSCF

Bay Area Association of Realtors & Mid-Shore Board of Realtors
Donated 2014 Event Proceeds

Chesapeake Classic Car Club
Contributed 2013 Spring Event Profits

St. Michaels Concours d’Elegance
$25,000 Contribution from 2013 Concours

William T. Hunter/ Dover Realty Holdings
Gift of Property Adjacent to Bullitt House valued at $420,000

Clockwise from right: Bay to Mid-Shore Realtor and Exhibition Expo, Chestertown Classic Car Club Spring Show, St. Michaels Concours d’Elegance 2014 – from left: MSCF President Buck Duncan with event chairs David North and George Walsh.
$501,500 in Grants Supports Critical Capital Investment in Area Nonprofits

The George B. Todd Fund committed $250,000, and pledged another $175,000 contingent on matching gifts, to the Chesapeake Grove Intergenerational Center of Delmarva Community Services

“DCS is excited to partner with the George B. Todd Fund in support of our resident seniors and children.”

– Santo A. Grande, Delmarva Community Services President & CEO

The Dorchester Center for the Arts received an additional $50,000, for a total of $250,000, for the new George B. Todd Performance Hall

The Arthur H. Kudner, Jr. Fund and the George B. Todd Fund awarded $50,000 in support of the new Health Professions and Athletic Center at Chesapeake College

MORE CONSTRUCTION AND RENOVATION PROJECTS IN THE WORKS... 

Chesapeake Culinary Center Renovation, $40,000 Grant: Arthur H. Kudner, Jr. Fund
Phillips Wharf Environmental Center, Oyster House Project, $41,500 Grant: Arthur H. Kudner, Jr. Fund
Talbot Hospice Foundation Addition, $20,500 Grant: Granville Fund, Groundhog Day Fund
Shore Regional Health Breast Center, $20,000 Grant: Maggie Ferree Fund, Bonnie Hilghman Fund
Wye River Upper School, Centreville Armory Renovation, $7,500 Grant: Maggie Ferree Fund, Granville Fund

(At the conclusion of last year, the Arthur H. Kudner, Jr. Fund granted $156,566 to this project)

Clockwise from bottom right: Breast Center at Requard Radiation Oncology Center; Wye Upper School; Phillips Wharf Environmental Center; Chesapeake Culinary Center.
2014 GRANTS BY CATEGORY

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal Welfare</td>
<td>$3,433</td>
</tr>
<tr>
<td>Arts/ culture</td>
<td>$15,303</td>
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<tr>
<td>Community Services</td>
<td>$501,500</td>
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<tr>
<td>Develop Community Partnerships</td>
<td>$13,999</td>
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<tr>
<td>Human Services</td>
<td>$459,921</td>
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<tr>
<td>Environment</td>
<td>$486,552</td>
</tr>
<tr>
<td>Health/ disability</td>
<td>$3,130</td>
</tr>
<tr>
<td>Health</td>
<td>$579,312</td>
</tr>
<tr>
<td>Education/ youth development</td>
<td>$439,583</td>
</tr>
<tr>
<td>Scholarships</td>
<td>$826,388</td>
</tr>
</tbody>
</table>

**MSCF Funds raised $1,522,000 in Grants to Charities in 2014**
MSCF Awards $425,752 in Scholarships – Another All-time high for MSCF Scholarship Committee

Clairdean Black
 Elizabeth Brice
 Dale Brown
 Art Cecil
 Ernie Chadderton
 Susan Dillon
 Charles Fitzgerald
 Wayne Howard
 John Lewis
 John Masone
 Suzanne Nuttle
 Clay Railey
 Alice Ryan
 Jennifer Stuart
 Meg van den Berg
 Bruce Wellington

2014 Roberta Holt Scholars

Front Row, L-R, Mitchell Wilson, Megan Smith, Michelle Benton, Madison Parks, Devon Bordonaro, Sabrina Murat, Charles Brohman; Back Row, L-R, Matthew Smith, Dreama Stafford, Maxwell Grable, Thomas Tyler, Haines Holt (brother of Roberta Holt)

2014 MSCF Scholarship Recipients

American Legion, Blake-Blackston Post # 77 Scholarship
Jalen Boston
Jyana M. Brumwell
Kabrea Hayman
Timothy J. Jacobs

B.A.A.M. College Assistance Scholarship
Stanley Lake
Jyrae Banks

NAACP/Dorothy Webb Black Memorial Scholarship
Tenjah R. Jenkins
Erin D. Rahim
Denaja Wilson
Brianna N. Wooden

Nicholas E. Bramble "Ironman" Scholarship
Catherine Achbach
Natasha Clarke
Quentin Faulkner
John Prettyman
Hope Pritchard
William J. Schnaftman, Jr.
Brian Shaw

William O. Bryan Memorial Scholarship
Abigail L. Heinsohn

Marci Bee Dayton Memorial Scholarship
Elle Louise Marshall

Dorchester Heritage Museum/
Dale Price Memorial Scholarship
Gregory C. Tyler

Frederick Douglass Honor Society Scholarship
Emily B. Harrison
Erin D. Rahim

Margaret Ferree Memorial Scholarship
Hannah J. Hughes

Dr. Eliza H. Hagen - Centreville High School Alumni Association
Memorial Scholarship
John W. Bollinger

Dr. Jay Harper
Memorial Scholarship
Doris Hastings
George B. Todd Fund provides $20,000 grant for Dorchester County high school students enrolled at Chesapeake College. Over 22 students from Cambridge South Dorchester High School and North Dorchester High School enrolled in one or more classes offered by Chesapeake College in 2014.

Destinae Short, a Cambridge-South Dorchester junior, earned 10 Chesapeake College credits. She plans to continue at Chesapeake College and earn an associate degree after she graduates from CSDHS in 2015. She then plans to transfer to High Point University and eventually get a degree in veterinary medicine. “It’s a little stressful, but it pays off. Without the grant, I probably would not have been able to afford dual enrollment.”

Robert B. Holt Fund expends $45,800 on dual enrollment grants to North Caroline High School and Colonel Richardson High Students enrolled at Chesapeake College.

Hannah Porter earned 12 Chesapeake College credits as a junior at North Caroline High School and is enrolled for an additional 6 credits in the fall semester, 2014. “I think dual enrollment was a good choice for me. I want to try to build up some college credits so I don’t have to go to college as long.” Hannah’s goal is to earn a degree in veterinary science.

“Dual Enrollment provides students with both rigorous academic experiences and valuable opportunities to pursue college and career goals in a timely fashion”
— Dr. Henry Wagner, Superintendent of Schools in Dorchester County
MSCF by the Numbers

Financial Performance In 2014

As you will note in the Statement of Financial Position for FY 2014, MSCF’s financial performance has been extraordinary this past year. Three particularly significant achievements were highlights:

The first is the significant growth in assets, with our total assets now exceeding $52 million! Two major factors were responsible for this significant milestone – investments increased by 20.1% ($8,127,132), with more than $6.6 million in investment returns, and we received a significant property gift of $420,000.

Equally important, grants, scholarships, and related charitable expenses continued to grow at the Foundation. We hit a record $2,633,863 in our charitable contributions to this community, an 18% increase over FY 2013.

Lastly, we reached another milestone, and that was in the efficiency of our operations. The Foundation board and staff are committed to an absolute minimum of operating expenses relative to our assets. This year that ratio was at an all-time low at 1.1%!

Our success this past year reflects the extraordinary efforts of our staff, and an exceptional board and volunteer base. It has been a great year.

W. W. “Buck” Duncan, President

Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>2013 Audited</th>
<th>2014 Unaudited</th>
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<tbody>
<tr>
<td>Cash</td>
<td>$1,176,108</td>
<td>$314,075</td>
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<tr>
<td>Receivable from Estates in Settlement</td>
<td>2,852,206</td>
<td>1,405,221</td>
</tr>
<tr>
<td>Grants Receivable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>40,354,601</td>
<td>48,481,733</td>
</tr>
<tr>
<td>Property and Equipment, net of depreciation</td>
<td>1,424,001</td>
<td>1,804,656</td>
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<tr>
<td>Other Assets</td>
<td>565,632</td>
<td>619,041</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$46,372,548</td>
<td>$52,624,726</td>
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<tr>
<td>Accounts Payable</td>
<td>$93,220</td>
<td>$89,300</td>
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<tr>
<td>Grants Payable</td>
<td>725,398</td>
<td>1,098,350</td>
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<tr>
<td>Charitable Gift Annuity Obligations</td>
<td>993,319</td>
<td>895,861</td>
</tr>
<tr>
<td>Agency Payables</td>
<td>1,978,124</td>
<td>2,259,354</td>
</tr>
<tr>
<td>Net Assets</td>
<td>42,582,487</td>
<td>48,281,862</td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$46,372,548</td>
<td>$52,624,726</td>
</tr>
</tbody>
</table>

Statement of Activities

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support and Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donor Contributions</td>
<td>$4,074,872</td>
<td>$2,312,123</td>
</tr>
<tr>
<td>Investment Results</td>
<td>3,904,827</td>
<td>6,644,242</td>
</tr>
<tr>
<td>Change in Value - split interest agreements</td>
<td>(125,912)</td>
<td>(23,339)</td>
</tr>
<tr>
<td>Rental Income</td>
<td>25,300</td>
<td>25,925</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td>$7,879,087</td>
<td>$8,958,951</td>
</tr>
<tr>
<td>Grants and Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and Charitable Expenses</td>
<td>$2,223,919</td>
<td>$2,633,863</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>607,246</td>
<td>625,713</td>
</tr>
<tr>
<td><strong>Total Grants and Expenses</strong></td>
<td>$2,831,165</td>
<td>$3,259,576</td>
</tr>
</tbody>
</table>

New Website Now Available

After extensive work to upgrade the information, services, and graphics on our website, the new site is now available to better serve the MSCF community. Please visit our website at www.mscf.org to see all the new features and to have easy access to our online services for donors, scholarship applicants, fund representatives, professional advisors and our nonprofit community.

The cover watercolor view of the Bullitt House was painted by Boston area artist Frank Costantino during Plein Air Easton. The original painting is available. Prints and notecards of this work may be obtained from the artist at www.fmcostantino.com/gallery or at 617-846-4766. Image copyright Frank M. Costantino

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