From the Chairman

Thank you! FY2018 was a record year in grants and scholarships—we distributed nearly $4.5 million!

Grants to equip a laundromat in the new Sudlersville Community Center, support transitional housing in Caroline County, and provide affordable housing for Easton’s working poor are but a few examples of the work MSCF is doing to enhance the quality of life for residents of the Mid-Shore.

Donors who share our commitment to post-secondary education increased support for Mid-Shore students by establishing seven new scholarships in FY2018. In response to the national opioid epidemic, MSCF is serving as fiscal sponsor for Going Purple campaigns in Dorchester, Kent, Queen Anne's and Talbot counties and is working closely with the initiative in Caroline County. Together with our partner, The Caroline Foundation, we distributed approximately $1.1 million in support of those and other health initiatives in FY2018.

We are honored by the commitment of our donors and volunteers to this community.

Moorhead Vermilye, Board Chairman

MSCF supports charitable initiatives addressing needs throughout our community by serving as Fiscal Sponsor for volunteer-run programs. We provide IRS-mandated oversight and reporting, allowing those volunteers to focus their time and energy on their initiatives. In FY2018, you contributed $1,183,629 to those programs.

Your support of our Vietnam Traveling Wall campaign resulted in $40,000 in grants to local organizations serving veterans.

$15,000 in collaborative grants to new AMP program in Caroline County Public Schools

Caroline County donors matched our Fund for Caroline County grant for a new Advanced Manufacturing Program that prepares students for employment opportunities immediately after high school graduation.
$637,235 in scholarships awarded

Our Kate Elliott Shannahan, Steven and Sybil Wolin, George B. Todd, Brendan Davis, Austin and Martha Steele and Roberta B. Holt Scholarship Funds awarded $100,000 in career and technology scholarships to Mid-Shore students.

The first Brooke and Trish Harwood Career and Technology Scholarship, supported in perpetuity by a newly established endowment, will be awarded to a Kent County student in 2019.

Estate contributions received in FY2018 funded a new Jochheim Knotts Memorial Scholarship for Saint Michaels High School graduates and a new Mary B. Lynch Scholarship for Caroline County students; those first awards will be made in our 2019 program.

Charles and Roberta Stephens Memorial Fund. The late Charles and Roberta Stephens (“Steve” and “Bobbie” to their friends) worked with MSCF for more than a decade, beginning with their first $45,000 Charitable Gift Annuity in 2007. Mrs. Stephens died in 2013. When Mr. Stephens died in March of 2018, twelve MSCF gift annuities that had provided guaranteed income to them during their lifetimes, matured and contributed $450,000 to our designated endowment for Talbot Hospice and our Charles and Roberta Stephens Memorial Fund. Total gifts of $9 million make theirs the largest grantmaking fund to date. Mr. and Mrs. Stephens designated three nonprofit organizations as recipients of annual grants from the fund: Old Wye Church in Wye Mills, Trinity Evangelical Lutheran Church in Joppa, Maryland, and Sandhills College Foundation in Pinehurst, North Carolina. Through their thoughtful estate planning they have provided a perpetual, reliable source of grant support for organizations that were important to them at different stages of their lives.

We are honored to work with The Caroline Health and Wellness Foundation, which provides grants to organizations addressing the health needs of older residents. FY2018 grants totaled $578,086.

Your gifts to our county Going Purple campaigns support the efforts of those volunteers to present the most effective program for their unique audiences.

GO PURPLE

QUEEN ANNE’S

DORCHESTER
Harry C. and Creighton J. Rhodes Fund. We made the first distributions from the Harry C. and Creighton J. Rhodes Fund in FY2018. Dr. and Mrs. Rhodes established the fund during their lifetime, and additional gifts from their estate funded this $3 million designated endowment. Dr. and Mrs. Rhodes delayed grantmaking until 18 months after their death. This year we distributed $119,540 in grants, 30% each to Chesapeake College Foundation, Chesterwye Foundation, and Washington College, and 10% to our grants program. Our Grants Committee used a Rhodes grant to support a hugely successful collaboration with the Queen Anne’s County Chamber of Commerce and Public Schools that took QACPS staff on a field trip to successful businesses throughout the county to help educators understand the employment opportunities local businesses offer high school graduates.

Foundation volunteer board to distribute
in and well-being of Caroline County

New low income workforce housing
supported with $38,000 grant
Webb's Hope will provide safe, affordable housing
for Easton's working poor.
MSCF at Work

SCHOLARSHIPS 58 funds; 7 new in FY2018

In FY2018 we awarded $637,235 in scholarships for post-secondary education. We are especially proud to report that $100,000 was for trades scholarships—the most trades scholarships we’ve awarded in any year to date. Our Count Me In!, Brendan Davis Culinary, Michael Morse, and Mid-Shore Community Foundation scholarships distributed first awards totaling $25,000. Our FY2019 program will include an additional $40,000 in awards from our new Fellowes, Harwood, Jochheim Knotts, and Lynch scholarships.

MISSION PARTNERS

In FY2018 we hosted training sessions featuring nonprofit governance experts Chuck Loring and Rob Levitt for our nonprofit and volunteer mission partners. Donor-designated contributions allow us to offer those valuable sessions at no charge to the participants.

In 2018 you contributed $1,183,629 to our fiscal sponsorship initiatives that support veterans, provide weekend food for needy children, brought the Vietnam Traveling Wall to Easton, publish the Chestertown and Talbot Spy e-newspapers, provide after school help to struggling students, honor Frederick Douglass, support Airport Days in Easton and Cambridge, and many other worthy efforts.

Chesapeake Bay Boat Club volunteers formalized their commitment to Benedictine School students by establishing funds to support their annual campaign to provide unique gifts and experiences for the students who stay on campus through the holidays.

2018 Town Watch, J. McKenny Willis, Jr., and Special Recognition Awards went to Molly Judge, Ginny Cornwell, Patrice Morrison and Homan Hallock, Herb Andrew, and Bill Jarmon

New Daisy Funds were established by the Women & Girls Fund in honor of Cooper Ryan Prall, Mary Kate & Caroline McDonough, and Rosemary Ruth Filhol. Our Women & Girls Fund now hosts fifteen Daisy Funds that bring young voices to their grants table to discuss needs throughout the Mid-Shore.

MSCF AWARDS

MSCF Receives Community Organization Award

The Talbot County Branch of the NAACP presented MSCF the Organization Award for its service to Talbot County, and its support of start-up charities and local charitable projects through fiscal sponsorship including those important to the mission of NAACP.

Women & Girls Fund Presents Award to Robbin Hill

Robbin Hill, Chief Program Officer, received the Sheryl V. Kerr Award for her work to support programs that empower and improve the lives of women and girls on the Mid-Shore.

Mission partners took advantage of the tax credit that the State of Maryland established to help build permanent charitable funds through community foundations across the State. MSCF donors received $35,355.82 in tax credits for contributions to new and existing endowments. Designated endowments were established for Building African American Minds (BAAM), Talbot County Public Schools Education Foundation, and Habitat for Humanity Choptank—Nancy Andrew Team Development Fund.
**FINANCIAL PERFORMANCE**

With another year of excellent investment performance and continued support from our donor community, Mid-Shore Community Foundation hit another milestone this year—total assets broke the $80 million mark! We had an $8.2 million increase in investments (+13%); over $4.2 million of that from investment returns. FY2018 donor contributions were 32% higher than last year—due in large part to our new Stephens Fund (inside story).

We distributed $4.5 million in grants and charitable expenses, a $1.1 million increase over last year. Our operating expenses increased by approximately 9% over last year due to additional personnel expenses to support expanded grant activity, an increase in expenses to support nonprofit seminars, technology related upgrades, and increased repair costs for the historic Bullitt House. Nevertheless, operating expenses as a percentage of assets is still below 1%, reflecting the very efficient work of our staff and the ongoing commitment of our volunteers.

We are grateful for your trust in us!

W.W. “Buck” Duncan, President

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**Statement of Financial Position**

<table>
<thead>
<tr>
<th>Assets</th>
<th>2017 Audited</th>
<th>2018 Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1,960,895</td>
<td>1,909,314</td>
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<tr>
<td>Receivables from Estates in Settlement</td>
<td>4,852,441</td>
<td>8,391,371</td>
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<tr>
<td>Investments</td>
<td>62,899,739</td>
<td>71,081,324</td>
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<tr>
<td>Property and Equipment, net of Depreciation</td>
<td>1,712,850</td>
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<tr>
<td>Other Assets</td>
<td>1,055,182</td>
<td>1,125,288</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>72,481,107</strong></td>
<td><strong>84,188,550</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>2017 Audited</th>
<th>2018 Unaudited</th>
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<tbody>
<tr>
<td>Accounts Payable</td>
<td>133,320</td>
<td>158,055</td>
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<td>Grants Payable</td>
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<td>1,627,637</td>
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<td>Charitable Gift Annuity Obligations</td>
<td>736,243</td>
<td>548,219</td>
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<td>Agency Payables</td>
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<td>4,881,846</td>
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<tr>
<td>Fund Balances</td>
<td>65,275,027</td>
<td>76,972,793</td>
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<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td><strong>72,481,107</strong></td>
<td><strong>84,188,550</strong></td>
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</tbody>
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**Statement of Activities**

**Support and Revenue**

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<tr>
<th></th>
<th>2017 Audited</th>
<th>2018 Unaudited</th>
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<tbody>
<tr>
<td>Donor Contributions</td>
<td>9,084,828</td>
<td>12,373,435</td>
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<tr>
<td>Investment Results</td>
<td>6,265,131</td>
<td>4,363,665</td>
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<tr>
<td>Change in Value - split interest agreements</td>
<td>(91,339)</td>
<td>66,237</td>
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<td>Other Income</td>
<td>84,496</td>
<td>64,372</td>
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<td><strong>Total Support and Revenue</strong></td>
<td><strong>15,343,116</strong></td>
<td><strong>16,867,710</strong></td>
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**Grants and Expenses**

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<tr>
<th></th>
<th>2017 Audited</th>
<th>2018 Unaudited</th>
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</thead>
<tbody>
<tr>
<td>Grants and Scholarships</td>
<td>3,371,162</td>
<td>4,499,023</td>
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<tr>
<td>Operating Expenses</td>
<td>707,942</td>
<td>775,029</td>
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<tr>
<td><strong>Total Grants and Expenses</strong></td>
<td><strong>4,079,104</strong></td>
<td><strong>5,274,052</strong></td>
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</tbody>
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**Grant Distributions by Field of Interest**

- Disaster Relief: 2%
- Human Services: 18%
- Education: 17%
- Youth Development: 28%
- Health: 11%
- Arts/Culture: 5%
- Environment: 2%
- Animals: 2%
- Historic Preservation: 1%
- Scholarship: 14%

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The cover watercolor of the Bullitt House was painted by Boston area artist Frank Costantino during Plein Air Easton in 2009.
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