Treasure the Shore

Report to the Community
2011

MID-SHORE COMMUNITY FOUNDATION
A Message from the Chairman

AT A TIME WHEN OUR COMMUNITY IS STRUGGLING with the lingering effects of the recent recession, I am pleased to report that 2011 will be a record grant making year for the Foundation. We are also exceedingly pleased that 21 new funds were established at MSCF. With these new funds and over $2,996,791 in gifts this past year, we are continuing to build a permanent and enduring resource to support the Mid-Shore now and in the years to come.

Among the new funds at MSCF are funds focused specifically on each of the counties in the Mid-Shore region – Caroline, Dorchester, Kent, Queen Anne’s, and Talbot. Significantly, a major challenge grant from PNC Bank has provided the initial endowment for these funds, and we are committed to expanding these resources by seeking additional endowment funding for grant making in each of these counties.

Equally important, we received notification in June of this year from the National Standards Board that MSCF has been reconfirmed for meeting the most rigorous standards for operational quality, donor service and accountability in the community foundation sector. This is a voluntary accreditation process and it reflects our commitment at the Foundation to the highest standards of service.

Lastly, let me encourage you to learn more about the work of MSCF through this Report to the Community and to get engaged in the critical mission of the Foundation.

Moorhead Vermilye
Chairman

Nonprofit and Community Volunteers Honored

The J. McKinney Willis, Jr. Community Service Award

The YMCA of the Chesapeake received the 2011 Community Service Award for their extraordinary record of service over the years and, most recently, on their efforts to extend their mission into Caroline and Queen Anne’s counties. The YMCA selected Tom Hill for recognition in view of his volunteer service that has played an important role in the success of the organization. As chair of the Capital Campaign, Tom Hill led a very successful effort that raised approximately $5 million for a new Teen and Family Center.

From left: Graham Lee, Blenda Armistead, Tom Hill, and YMCA director Robbie Gill
Margaret “Maggie” Ferree

Benefactor, volunteer and humanitarian Margaret B. Ferree left an enduring legacy to the Mid-Shore community which included over 40 years of service and a long history of generous philanthropy. She was a founding board member of MSCF and played an important role in building a community foundation that will serve the Mid-Shore in perpetuity. In 2004, the Foundation honored Maggie Ferree with the J. McKenny Willis, Jr. Community Service Award.

“Every generation should be lucky enough to have a Maggie Ferree.”
Charles Capute, Attorney/Former Chair, MSCF

She was a passionate supporter of Memorial Hospital including over 1500 hours of volunteer service on the Memorial Hospital Auxiliary, 5 terms on the Board of Directors of both the Hospital and Shore Health System, and active involvement with the McQueen Gibbs Willis School of Nursing. She was honored with the Memorial Hospital Foundation’s Humanitarian Award.

Maggie Ferree was integral to the start of hospice services in Talbot County and served on or otherwise supported the Historical Society of Talbot County, Easton Day Care, the Women and Girl’s Fund, the Talbot Garden Club, CASA of Talbot County, the YMCA of the Chesapeake, and the Benedictine School. In 2000, She was named Maryland’s Most Beautiful Volunteer for Talbot County.

In many ways, Maggie Ferree was the embodiment of stewardship and generosity in our community. Because of her extraordinary philanthropy, this community will continue to benefit from her vision and commitment. She has indeed left quite a legacy of service to the Mid-Shore.

The Town Watch Society

Richard Granville was inducted into the Society for his service as chair of the Board of Directors of the Foundation. Through his leadership the Foundation has expanded its services and broadened its focus to fully address the diverse needs of the community. Richard Granville has also been an advocate, volunteer, and supporter for numerous Mid-Shore non-profits and for the important community needs they address.

Richard Marks was inducted into the Society for his leadership in organizing the exhibit and community discussion, Return to Afghanistan, in conjunction with the Women and Girl’s Fund. Richard Marks has also chaired the board of the Avalon Foundation and has worked behind the scenes to support other nonprofits in the region.

Distinguished Achievement in Service

The award was presented to Ken Wood for his humanitarian efforts to expand access to good drinking water in the West African nation of Ghana which was featured on NBC’s Today Show. Ken Wood is a resident of Caroline County and is committed to continuing his efforts to meet this most basic of human needs.

How can you contribute?

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

Make a gift to a permanent endowment, in honor of our founders, 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 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 the MSCF advisory committees, or in support of one or more of our 60+ 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 at MSCF.

Visit us at www.mscf.org to learn how you can support this community by becoming a donor with MSCF.
Highlights In Grant Making

• The Women and Girl’s Fund supported 20 organizations in the community with over $39,000 in grants.

• The United Way and United Fund campaigns were supported through grants totaling $26,000.

• $57,000 in grants were made to shelters and food pantries in the Mid-Shore region.

• The YMCA of the Chesapeake received $38,000 in grants for youth programming and the new Teen Center.

• The Talbot Youth Livestock Fund raised $22,000 to build a new show barn for 4H youth at the Talbot Agriculture Center.

• The George B. Todd Fund allocated more than $258,000 in support of Dorchester County and its citizens.

• The James Marion Bryan, Jr. Building Dreams for Youth Foundation distributed more than $103,000 to support area sports and youth initiatives.

The George B. Todd Fund provided a $10,000 grant to the Nanticoke Historic Preservation Alliance which was formed to purchase, study, and restore the brick house at left at the Handsell plantation site in Dorchester County. The Alliance seeks to use the site to do special educational events in celebration of the Native American, colonial, and African American connections to the Indiantown-Vienna area.
Introducing 12 new funds into the MSCF family

Artistic Insights
Carpe Diem – Tilghman
The Draut Fund
Eventful Giving
John M. Nashold Fund
Mid-Shore Animal League
Mid-Shore Wounded Warriors
Operation Christmas Fund
Our Hearts for Kids
Talbot Youth Livestock Fund
Talbot Twelve Foundation
Two Feet on the Ground Fund

New Scholarship Funds

Centreville High School Alumni/Dr. Elizabeth Hagen Scholarships
Frederick Douglass Scholarship
Grover and Bernice Wooters Hastings Scholarship
Marlin U. Zimmerman Scholarship

MSCF awarded $288,781 in scholarships to 103 recipients in 2011; The average award—$2,800

Pooled Scholarship Application Program Established in 2011

While MSCF has administered more than 20 individual scholarship programs in the past, a new pooled application process was created in 2011 that allows students to submit a single application for the scholarships that have been consolidated into the program. In addition, a new Scholarship Committee was established within the Grants Committee to oversee the program and serve as the selection committee for the individual scholarships. This is a significant new service that will make it much easier to administer the various scholarships and provide a simplified application process for students and their families. The application is available online as well as in hard copy form in guidance offices throughout the Mid-Shore region.

“This is a significant initiative for the Foundation that should greatly improve access to scholarships offered through MSCF and better serve our donors who make these scholarships possible.”

– Alice Bower, board member and chair of the Scholarship Committee of MSCF

Scholarship Committee Hosts Steele Scholars

Steele Scholars, past and present, and members of MSCF’s Scholarship Committee.

2011 Mid-Shore Austin and Martha Steele Scholars

Danielle Covey
Yasmine Harding
Kayla Holecheck
Achia Thompson
Megan Williams
Welcome to our new partners

The Choptank River Lighthouse, originally built in 1885 and later demolished in 1964, is being rebuilt by the Choptank River Lighthouse Society in Cambridge. At left, the Stingray Point Lighthouse is of identical design to the Choptank River Lighthouse.
New Nonprofit Resource Center at the Bullitt House

Through a generous grant from the Grayce B. Kerr Fund, a new Nonprofit Resource Center has been established at the Bullitt House. The Center will include online access to the Foundation Center for grant research, publications relating to philanthropy, IRS standards for nonprofit organizations, and other resources for planned giving programs. In addition, the Center plans to sponsor webinars as well as an ongoing training program for Mid-Shore nonprofits.

MSCF’s Training Program Aids Area Nonprofits

Again this year, MSCF sponsored 3 training sessions for area nonprofits which were held at Chesapeake College: Board Governance; Engaging Your Board in Fundraising; Planned Giving Program for Nonprofits. MSCF also announced new tuition reimbursement grants for nonprofits enrolling in non-credit coursework at Chesapeake College.

MSCF continues to meet national standards of excellence

The National Standards Board reconfirmed that MSCF meets National Standards for operational quality, donor service and accountability in the community foundation sector.

The National Standards Seal by our name indicates official confirmation from the Community Foundations National Standards Board that we have met the most rigorous standards in philanthropy. It says our grantmaking includes an open, competitive process designed to address the challenging needs of our community. The National Standards Seal also confirms our history of honoring donors’ wishes.

What is the challenge you face engaging your board in fundraising?
A new coat of paint for the Bullitt House

We are very grateful to the National Trust for Historic Preservation, the Bartus Trew Providence Preservation Fund, and the Heritage Fund of Preservation Maryland for their grants in support of this project. The Bullitt House is one of Maryland’s historic treasures; it was built in 1801 and it is one of Easton’s most elegant buildings and one of the best representatives of Federal period architecture in Talbot County and indeed in the State of Maryland. Come by to see the Bullitt House. We can also give visitors a tour of the interior which is home to the Foundation.

Financial Summary 2011

On every financial indicator, MSCF has had an extraordinary year. Investments grew by 20.2% over last year thanks to continued rebound in the markets resulting in a gain of $5,158,274. Total assets at MSCF are just shy of $38 million at June 30, 2011. Our Investment Committee continues to monitor investment manager performance to maximize return to our funds and in support of expanded grant making at the Foundation.

Even more impressive was the increase in donor contributions—a 150% increase over FY 10! Total contributions exceeded $2.9 million. With an increase in assets at the Foundation due to both donor contributions and investments (an increase of $6,363,879), our Grants Committee reported a record year of grant making in support of the Mid-Shore community. At year end, grants and charitable expenses totaled $1,716,567.

Lastly, operating expenses decreased as a percent of assets to 1.3% in FY 11. More significantly, operating expenses at MSCF increased by less than 1% over last year due to very tight control over expenditures. Our board is committed to keeping our operating expenses to an absolute minimum so that our assets can be focused on the needs of the Mid-Shore community.

Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>2010 audited</th>
<th>2011 audited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$1,398,985</td>
<td>$1,231,292</td>
</tr>
<tr>
<td>Receivable from Estates in Settlement</td>
<td>2,750,000</td>
<td>4,330,000</td>
</tr>
<tr>
<td>Grants Receivable</td>
<td>-</td>
<td>20,350</td>
</tr>
<tr>
<td>Investments</td>
<td>25,058,541</td>
<td>30,122,779</td>
</tr>
<tr>
<td>Property and Equipment, net of depreciation</td>
<td>1,506,925</td>
<td>1,495,616</td>
</tr>
<tr>
<td>Other Assets</td>
<td>773,121</td>
<td>651,414</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$31,487,572</td>
<td>$37,851,451</td>
</tr>
<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$32,143</td>
<td>$35,587</td>
</tr>
<tr>
<td>Grants Payable</td>
<td>289,875</td>
<td>354,434</td>
</tr>
<tr>
<td>Charitable Gift Annuity Obligations</td>
<td>1,126,477</td>
<td>1,088,010</td>
</tr>
<tr>
<td>Agency Payables</td>
<td>1,899,964</td>
<td>2,402,821</td>
</tr>
<tr>
<td>Net Assets</td>
<td>28,139,113</td>
<td>33,970,599</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$31,487,572</td>
<td>$37,851,451</td>
</tr>
</tbody>
</table>

Statement of Activities

Support and Revenue

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor Contributions</td>
<td>$1,197,194</td>
<td>$2,996,791</td>
</tr>
<tr>
<td>Investment Results</td>
<td>2,885,534</td>
<td>5,158,274</td>
</tr>
<tr>
<td>Change in Value - split interest agreements</td>
<td>(102,019)</td>
<td>(127,019)</td>
</tr>
<tr>
<td>Rental Income</td>
<td>40,300</td>
<td>19,850</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td>$4,021,009</td>
<td>$6,047,896</td>
</tr>
</tbody>
</table>

Grants and Expenses

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and Charitable Expenses</td>
<td>$1,288,642</td>
<td>$1,716,567</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>494,038</td>
<td>499,843</td>
</tr>
<tr>
<td><strong>Total Grants and Expenses</strong></td>
<td>$1,782,680</td>
<td>$2,216,410</td>
</tr>
</tbody>
</table>