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Form **990-PF**

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990PF for instructions and the latest information.

For calendar year 2017 or tax year beginning 07/01/17, and ending 06/30/18

Name of foundation HUMPHREYS FOUNDATION, INC		A Employer identification number 31-1639319
Number and street (or P O box number if mail is not delivered to street address) 9748 STEPHEN DECATUR HWY STE 103		B Telephone number (see instructions) 410-213-8700
City or town, state or province, country, and ZIP or foreign postal code OCEAN CITY MD 21842		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 8,853,097		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐
J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ☒ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	14,679	14,679		
4	Dividends and interest from securities	296,430	296,430		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	102,189			
b	Gross sales price for all assets on line 6a	759,795			
7	Capital gain net income (from Part IV, line 2)		102,189		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule) STMT 1	14			
12	Total. Add lines 1 through 11	413,312	413,298	0	
13	Compensation of officers, directors, trustees, etc	0			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) STMT 2	2,540			
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions) STMT 3	1,515			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch) STMT 4	25,510	24,440		
24	Total operating and administrative expenses. Add lines 13 through 23	29,565	24,440	0	0
25	Contributions, gifts, grants paid	439,680			439,680
26	Total expenses and disbursements. Add lines 24 and 25	469,245	24,440	0	439,680
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-55,933			
b	Net investment income (if negative, enter -0-)		388,858		
c	Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see instructions.

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash – non-interest-bearing	98,522	37,761	37,747
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (att schedule) ▶ Less allowance for doubtful accounts ▶	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U S and state government obligations (attach schedule) STMT 5	317,948	345,846	337,445
	b Investments – corporate stock (attach schedule) SEE STMT 6	890,974	1,031,763	1,245,049
	c Investments – corporate bonds (attach schedule) SEE STMT 7	177,662	190,300	187,438
	11 Investments – land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12 Investments – mortgage loans	90,239		
	13 Investments – other (attach schedule) SEE STATEMENT 8	5,231,343	5,145,085	7,045,418
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)	6,806,688	6,750,755	8,853,097	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ ☒			
	24 Unrestricted	6,806,688	6,750,755	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ ☐			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	6,806,688	6,750,755	
31 Total liabilities and net assets/fund balances (see instructions)	6,806,688	6,750,755		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	6,806,688
2 Enter amount from Part I, line 27a	2	-55,933
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	6,750,755
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	6,750,755

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
b	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
a 710,456		619,356	91,100
b 49,339		38,250	11,089
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			91,100
b			11,089
c			
d			
e			

2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	102,189
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) See instructions If (loss), enter -0- in Part I, line 8		3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2016	358,200	7,382,987	0.048517
2015	346,988	7,358,031	0.047158
2014	315,185	7,222,376	0.043640
2013	382,000	7,164,273	0.053320
2012	357,545	7,301,568	0.048968

2 Total of line 1, column (d)**2** 0.241603**3** Average distribution ratio for the 5-year base period – divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years**3** 0.048321**4** Enter the net value of noncharitable-use assets for 2017 from Part X, line 5**4** 8,309,989**5** Multiply line 4 by line 3**5** 401,547**6** Enter 1% of net investment income (1% of Part I, line 27b)**6** 3,889**7** Add lines 5 and 6**7** 405,436**8** Enter qualifying distributions from Part XII, line 4**8** 439,680

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b	1	3,889
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations, enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)	2	0
3	Add lines 1 and 2	3	3,889
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	3,889
6	Credits/Payments		
a	2017 estimated tax payments and 2016 overpayment credited to 2017	6a	2,900
b	Exempt foreign organizations – tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	2,900
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	989
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2018 estimated tax ☐ Refunded ☐	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
b		X
c		X
d		
e		
2		X
3		X
4a		X
b		
5		X
6	X	
7	X	
8a		
b	X	
9		X
10		X

N/A

Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule See instructions		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement See instructions		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	X	
14 The books are in care of ► RAYMOND I ROBINSON JR Telephone no ► 410-213-8700 100 20TH STREET		
Located at ► OCEAN CITY MD ZIP+4 ► 21842		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – check here and enter the amount of tax-exempt interest received or accrued during the year	► 15	
16 At any time during calendar year 2017, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year, did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes	☒ No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes	☒ No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes	☒ No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes	☒ No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes	☒ No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes	☒ No
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions	N/A	
Organizations relying on a current notice regarding disaster assistance, check here	► ☐	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?	N/A	
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? If "Yes," list the years ► 20 , 20 , 20 , 20	☐ Yes	☒ No
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions.)	N/A	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes	☒ No
b If "Yes," did it have excess business holdings in 2017 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2017.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions **N/A** ☐ **5b**

Organizations relying on a current notice regarding disaster assistance, check here ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A** ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945–5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ☐ Yes ☒ No **X**

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **N/A** **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, and foundation managers and their compensation. See instructions.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 9				

2 Compensation of five highest-paid employees (other than those included on line 1 – see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. See instructions. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services **▶****Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 CONTRIBUTIONS WERE GIVEN TO ORGANIZATIONS LISTED ON STATEMENT 10	
	439,680
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	8,321,681
b	Average of monthly cash balances	1b	92,622
c	Fair market value of all other assets (see instructions)	1c	22,234
d	Total (add lines 1a, b, and c)	1d	8,436,537
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	8,436,537
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)	4	126,548
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	8,309,989
6	Minimum investment return. Enter 5% of line 5	6	415,499

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6	1	415,499
2a	Tax on investment income for 2017 from Part VI, line 5	2a	3,889
b	Income tax for 2017 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	3,889
3	Distributable amount before adjustments Subtract line 2c from line 1	3	411,610
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	411,610
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	411,610

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1a	439,680
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	439,680
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b See instructions	5	3,889
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	435,791

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				411,610
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only			8,716	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2017				
a From 2012				
b From 2013				
c From 2014				
d From 2015				
e From 2016				
f Total of lines 3a through e				
4 Qualifying distributions for 2017 from Part XII, line 4 ▶ \$ 439,680				
a Applied to 2016, but not more than line 2a			8,716	
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2017 distributable amount				411,610
e Remaining amount distributed out of corpus	19,354			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	19,354			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount – see instructions				
e Undistributed income for 2016 Subtract line 4a from line 2a Taxable amount – see instructions				
f Undistributed income for 2017 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2018				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	19,354			
10 Analysis of line 9				
a Excess from 2013				
b Excess from 2014				
c Excess from 2015				
d Excess from 2016				
e Excess from 2017	19,354			

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, enter the date of the ruling ▶					
b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)					
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test – enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test – enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

1	Information Regarding Foundation Managers: a List all managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2)) N/A b List all managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest N/A
2	Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs: Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions. a The name, address, and telephone number or email address of the person to whom applications should be addressed FAW CASSON & CO., LLP 410-213-8700 9748 STEPHEN DECATUR HWY STE 103 OCEAN CITY MD 21842 b The form in which applications should be submitted and information and materials they should include USE GRANT APPLICATION ATTACHED c Any submission deadlines N/A d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors N/A

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year SEE STATEMENT 10				439,680
Total			▶ 3a	439,680
b Approved for future payment N/A				
Total			▶ 3b	

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
OTHER INCOME	\$ 14	\$	\$
TOTAL	\$ 14	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	\$ 2,540	\$	\$	\$
TOTAL	\$ 2,540	\$ 0	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAXES PAID - STOCK DIVID	\$ 1,488	\$	\$	\$
UNITED STATES TREASURY	27			
TOTAL	\$ 1,515	\$ 0	\$ 0	\$ 0

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	\$	\$	\$	\$
INVESTMENT FEES	24,440	24,440		
INSURANCE	1,070			
TOTAL	\$ 25,510	\$ 24,440	\$ 0	\$ 0

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
MERRILL LYNCH SEE ATTACHED STMT	\$ 317,948	\$ 345,846	MARKET	\$ 337,445
TOTAL	\$ 317,948	\$ 345,846		\$ 337,445

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
MERRILL LYNCH SEE ATTACHED STMT	\$ 890,974	\$ 1,031,763	MARKET	\$ 1,245,049
TOTAL	\$ 890,974	\$ 1,031,763		\$ 1,245,049

Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
MERRILL LYNCH SEE ATTACHED STMT	\$ 177,662	\$ 190,300	MARKET	\$ 187,438
TOTAL	\$ 177,662	\$ 190,300		\$ 187,438

Statement 8 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CALVIN B. TAYLOR BANK STOCK	\$ 4,292,772	\$ 4,165,272	MARKET	\$ 6,092,731
MERRILL LYNCH SEE ATTACHED STMT	105,245	73,467	MARKET	73,467
MERRILL LYNCH SEE ATTACHED STMT	833,326	906,346	MARKET	879,220
TOTAL	\$ 5,231,343	\$ 5,145,085		\$ 7,045,418

Federal Statements

Statement 9 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
ELLEN H. LANG 107 TINGLE ROAD BERLIN MD 21811	VICE PRESIDE	2.00	0	0	0
RAYMOND I ROBINSON JR 100 20TH STREET OCEAN CITY MD 21842	TREASURER	2.00	0	0	0
L. SUSAN TAYLOR 10308 CALEB ROAD BERLIN MD 21811	SECRETARY	2.00	0	0	0
THOMAS K COATES 6200 COASTAL HWY., SUITE 300 OCEAN CITY MD 21842	PRESIDENT	2.00	0	0	0
REGINA MONTAGNA 9748 STEPHEN DECATUR HWY. SUITE 103 OCEAN CITY MD 21842	BOARD MEMBER	2.00	0	0	0

Form 990-PF, Part XV, Line 2b - Application Format and Required ContentsDescription

USE GRANT APPLICATION ATTACHED

Federal Statements

Statement 10 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year

Name	Address	Relationship	Status	Purpose	Amount
ART LEAGUE OF OCEAN CITY OCEAN CITY MD 21843	PO BOX 3503				10,000
ATLANTIC GENERAL HOSPITAL BERLIN MD 21811	9733 HEALTHWAY DRIVE				10,000
BERLIN FIRST BAPTIST CHURCH BERLIN MD 21811	613 WILLIAMS ST				2,500
BUCKINGHAM PRESBYTERIAN CHURCH BERLIN MD 21811	PO BOX 248				19,000
COASTAL HOSPICE & PALLIATIVE CARE SALISBURY MD 21802	PO BOX 1733				75,000
DIAKONIA INC OCEAN CITY MD 21842	12747 OLD BRIDGE ROAD				40,000
FURNACE TOWN LIVING HERITAGE VILLAG SHOW HILL MD 21863	3816 OLD FURNACE RD				20,000
GREATER OC CHAMBER OF COMMERCE FOUN OCEAN CITY MD 21842	12320 OCEAN GATEWAY				2,500
HABITAT FOR HUMANITY OF WORCESTER C BERLIN MD 21811	PO BOX 1327				20,000
JESSE KLUMP MEMORIAL FUND BISHOPVILLE MD 21813	10737 PINEY ISLAND DR				10,000
JUNIOR ACHIEVEMENT OF EASTERN SHORE SALISBURY MD 21801	200 W MAIN ST				9,950
LIGHTHOUSE CHRISTIAN SCHOOL DAGSBORO DE 19939	28157 LIGHTHOUSE XING				30,000
LOWER SHORE LAND TRUST BERLIN MD 21811	9931 OLD OCEAN CITY BLVD				25,000
MAC INC SALISBURY MD 21804	909 PROGRESS CIRCLE				2,500
MAGI FUND SALISBURY MD 21803	PO BOX 521				10,000
OCEAN CITY BAPTIST CHURCH OCEAN CITY MD 21842	12637 B OCEAN GATEWAY				16,300
OCEAN CITY MUSEUM SOCIETY OCEAN CITY MD 21843	PO BOX 603				1,000
SALEM METHODIST CHURCH SELBYVILLE DE 19975	29 CHURCH ST				2,500
SNOW HILLMIDDLE SCHOOL SNOW HILL MD 21863	522 COULBOURNE LANE				500
					10

Federal Statements

**Statement 10 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year (continued)**

Name		Address		Relationship	Status	Purpose	Amount
ST MARY'S STAR OF THE SEA CATHOLIC C		OCEAN CITY MD 21842		1705 PHILADELPHIA AVE			2,500
ST PAUL BY THE SEA CHURCH		OCEAN CITY MD 21842		302 N BALTIMORE AVE			2,500
STEPHEN DECATUR HIGH SCHOOL		BERLIN MD 21811		9815 SEAHAWK RD			1,000
STEPHEN DECATUR MIDDLE SCHOOL		BERLIN MD 21811		9815 SEAHAWK RD			20,000
STEVENSON UNITED METHODIST CHURCH		BERLIN MD 21811		123 N MAIN ST			2,500
TOWN OF BERLIN		BERLIN MD 21811		10 WILLIAM STREET			8,430
WORCESTER COUNTY ARTS COUNCIL		BERLIN MD 21811		6 JEFFERON STREET			5,000
WORCESTER COUNTY BD OF EDUCATION		NEWARK MD 21841		6270 WORCESTER HIGHWAY			20,000
WORCESTER COUNTY LIBRARY FOUNDATION		OCEAN CITY MD 21842		10003 COASTAL HIGHWAY			25,000
WORCESTER COUNTY PUBLIC SCHOOLS EDU		NEWARK MD 21841		6270 WORCESTER HIGHWAY			11,000
WORCESTER COUNTY WARRIORS		BERLIN MD 21811		PO BOX 333			10,000
WORCESTER YOUTH AND FAMILY CENTER		BERLIN MD 21811		124 N MAIN ST			25,000
WORCESTER COUNTY TECH HIGH SCHOOL		NEWARK MD 21841		6290 WORCESTER HWY			20,000
SPENCE BAPTIST CHURCH GRANT RETURN		SNOW HILL MD 21863		7603 SPENCE CHURCH ROAD			-20,000
TOTAL							439,680