

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

► 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.

2019

Open to Public Inspection

For calendar year 2019 or tax year beginning

, 2019, and ending

Knapp Educational Fund, Inc.
P. O. Box 0
St. Michaels, MD 21663

G Check all that apply	<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity
	<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return
	<input type="checkbox"/> Address change	<input type="checkbox"/> Name change
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► \$ 5,077,260.	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	(Part I, column (d), must be on cash basis)

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)
---	--	---	----------------------------------	--------------------------------	--

Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	9.	9.	N/A	
	4 Dividends and interest from securities	136,983.	136,983.		
	5 a Gross rents				
	b Net rental income or (loss)				
	6 a Net gain or (loss) from sale of assets not on line 10	104,189.			
	b Gross sales price for all assets on line 6a	2,134,429.			
	7 Capital gain net income (from Part IV, line 2)	104,189.			
	8 Net short-term capital gain.				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11.	241,181.	241,181.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	28,000.			28,000.
	14 Other employee salaries and wages.				
	15 Pension plans, employee benefits.				
	16 a Legal fees (attach schedule) See St 1	534.			534.
	b Accounting fees (attach sch) See St 2	4,850.	2,425.		2,425.
	c Other professional fees (attach sch) See St 3	69,560.	60,060.		9,500.
	17 Interest				
	18 Taxes (attach schedule)(see instrs) See Stm 4	3,557.			
	19 Depreciation (attach schedule) and depletion.				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 5	4,440.	840.		3,600.
	24 Total operating and administrative expenses. Add lines 13 through 23 Part XV	110,941.	63,325.		44,059.
25 Contributions, gifts, grants paid	198,348.			198,348.	
26 Total expenses and disbursements. Add lines 24 and 25	309,289.	63,325.		242,407.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-68,108.				
b Net investment income (if negative, enter -0-)		177,856.			
c Adjusted net income (if negative, enter -0-)					

SEARCHED FEB 08 2021

15 gl

X

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
1 Cash - non-interest-bearing		28,638.	28,826.	28,826.
2 Savings and temporary cash investments		1,614,584.	1,537,691.	1,537,691.
3 Accounts receivable	913.			
Less allowance for doubtful accounts		1,446.	913.	913.
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 (attach sch)				
Less allowance for doubtful accounts				
8 Inventories for sale or use				
9 Prepaid expenses and deferred charges			6,843.	6,843.
10a Investments - U.S. and state government obligations (attach schedule)	Statement 6	222,157.	721,297.	725,466.
b Investments - corporate stock (attach schedule)	Statement 7	864,251.	928,755.	1,509,938.
c Investments - corporate bonds (attach schedule)				
11 Investments - land, buildings, and equipment basis				
Less: accumulated depreciation (attach schedule)				
12 Investments - mortgage loans				
13 Investments - other (attach schedule)	Statement 8	1,640,860.	1,073,835.	1,267,583.
14 Land, buildings, and equipment basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1)		4,371,936.	4,298,160.	5,077,260.
Liabilities				
17 Accounts payable and accrued expenses		16,100.	14,280.	
18 Grants payable				
19 Deferred revenue				
20 Loans from officers, directors, trustees, & other disqualified persons.				
21 Mortgages and other notes payable (attach schedule)				
22 Other liabilities (describe)		3,848.		
23 Total liabilities (add lines 17 through 22)		19,948.	14,280.	
Net Assets or Fund Balances				
24 Foundations that follow FASB ASC 958, check here and complete lines 24, 25, 29, and 30.	<input type="checkbox"/>			
25 Net assets without donor restrictions				
Foundations that do not follow FASB ASC 958, check here and complete lines 26 through 30.	<input checked="" type="checkbox"/>			
26 Capital stock, trust principal, or current funds		1,511,981.	1,511,981.	
27 Paid-in or capital surplus, or land, bldg., and equipment fund				
28 Retained earnings, accumulated income, endowment, or other funds		2,840,007.	2,771,899.	
29 Total net assets or fund balances (see instructions)		4,351,988.	4,283,880.	
30 Total liabilities and net assets/fund balances (see instructions)		4,371,936.	4,298,160.	

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 29 (must agree with end-of-year figure reported on prior year's return)	1	4,351,988.
2 Enter amount from Part I, line 27a.	2	-68,108.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	4,283,880.
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 29	6	4,283,880.

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 See Statement 9					
b					
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					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69.			(i) Gains (Col. (h)) gain minus col. (k), but not less than -0- or Losses (from col. (h))		
(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			
a					
b					
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	104,189.	
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	-8,227.	

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 doesn't 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))
2018	290,004.	5,076,850.	0.057123
2017	255,272.	5,241,241.	0.048704
2016	317,735.	5,255,750.	0.060455
2015	344,830.	5,290,175.	0.065183
2014	372,136.	5,593,194.	0.066534

2 Total of line 1, column (d) 2 0.297999

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 0.059600

4 Enter the net value of noncharitable-use assets for 2019 from Part X, line 5 4 4,984,410.

5 Multiply line 4 by line 3 5 297,071.

6 Enter 1% of net investment income (1% of Part I, line 27b) 6 1,779.

7 Add lines 5 and 6. 7 298,850.

8 Enter qualifying distributions from Part XII, line 4 8 242,407.

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)

1 a Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter 'N/A' on line 1	1	3,557.
Date of ruling or determination letter (attach copy of letter if necessary – see instructions)		
1 b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b	2	0.
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-)	3	3,557.
3 Add lines 1 and 2	4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)	5	3,557.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6 Credits/Payments		
a 2019 estimated tax pymts and 2018 overpayment credited to 2019	6a	10,400.
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	10,400.
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> 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	0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	6,843.
11 Enter the amount of line 10 to be: Credited to 2020 estimated tax ► 6,843. Refunded ► 11 0.		

Part VII-A: Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition	1b	X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		
c Did the foundation file Form 1120-POL for this year?	1c	X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:		
(1) On the foundation ► \$ 0. (2) On foundation managers ► \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities.	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes	3	X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	4b	N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by <i>General Instruction T</i>	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:		
• By language in the governing instrument, or	6	X
• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	7	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, col. (c), and Part XV.	8a	
8 a Enter the states to which the foundation reports or with which it is registered See instructions	8b	X
DE MD		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? If 'No,' attach explanation	9	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2019 or the tax year beginning in 2019? See the instructions for Part XIV. If 'Yes,' complete Part XIV	10	X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses		

BAA

Form 990-PF (2019)

Part VII-A Statements Regarding Activities (continued)

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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
14	The books are in care of ► <u>Knapp Educational Fund, Inc.</u> Telephone no ► <u>410-745-5660</u> Located at ► <u>PO Box 0 St. Michaels MD</u> ZIP + 4 ► <u>21663</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
16	At any time during calendar year 2019, 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 ► <u></u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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.

1 a	During the year, did the foundation (either directly or indirectly).	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 Organizations relying on a current notice regarding disaster assistance, check here ► <input type="checkbox"/>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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 2019?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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)).	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
a	At the end of tax year 2019, did the foundation have any undistributed income (Part XIII, lines 6d and 6e) for tax year(s) beginning before 2019? If 'Yes,' list the years ► <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If 'Yes,' did it have excess business holdings in 2019 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 Form 4720, Schedule C, to determine if the foundation had excess business holdings in 2019)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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 2019?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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

5 a During the year, did the foundation pay or incur any amount to	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Yes	No
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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		5 b	N/A
Organizations relying on a current notice regarding disaster assistance, check here	<input type="checkbox"/>		
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? If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).	N/A <input type="checkbox"/> Yes <input type="checkbox"/> No		
6 a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If 'Yes' to 6b, file Form 8870		6 b	X
7 a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?		7 b	N/A
8 Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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
Antoinette Vojvoda P. O. Box 0 St. Michaels, MD 21663	Secretary 2.00	0.	0.	0.
Steven F. Capranica PO Box 0 St. Michaels, MD 21663	VP/Treasurer 12.00	28,000.	0.	0.
Ruth Capranica PO Box 0 St. Michaels, MD 21663	President 3.00	0.	0.	0.
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----

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		

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	N/A	
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		
3	All other program-related investments. See instructions.	
Total. Add lines 1 through 3		0.

BAA

Form 990-PF (2019)

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	3,523,001.
b Average of monthly cash balances	1b	1,532,713.
c Fair market value of all other assets (see instructions)	1c	4,601.
d Total (add lines 1a, b, and c)	1d	5,060,315.
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	5,060,315.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	75,905.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,984,410.
6 Minimum investment return. Enter 5% of line 5	6	249,221.

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	249,221.
2a Tax on investment income for 2019 from Part VI, line 5	2a	3,557.
b Income tax for 2019 (This does not include the tax from Part VI.).	2b	
c Add lines 2a and 2b.	2c	3,557.
3 Distributable amount before adjustments. Subtract line 2c from line 1.	3	245,664.
4 Recoveries of amounts treated as qualifying distributions.	4	
5 Add lines 3 and 4	5	245,664.
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	245,664.

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	242,407.
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	242,407.
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	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	242,407.

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 2018	(c) 2018	(d) 2019
1 Distributable amount for 2019 from Part XI, line 7				245,664.
2 Undistributed income, if any, as of the end of 2019:				
a Enter amount for 2018 only			0.	
b Total for prior years. 20 20 20		0.		
3 Excess distributions carryover, if any, to 2019:				
a From 2014 96,534.				
b From 2015 86,887.				
c From 2016 60,555.				
d From 2017				
e From 2018 46,409.				
f Total of lines 3a through e 290,385.				
4 Qualifying distributions for 2019 from Part XII, line 4 ► \$ 242,407.			0.	
a Applied to 2018, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2019 distributable amount	0.			242,407.
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2019 (If an amount appears in column (d), the same amount must be shown in column (a).)				3,257.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	287,128.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
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		0.		
d Subtract line 6c from line 6b. Taxable amount – see instructions		0.		
e Undistributed income for 2018. Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2019. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2020				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)	0.			
8 Excess distributions carryover from 2014 not applied on line 5 or line 7 (see instructions)	93,277.			
9 Excess distributions carryover to 2020. Subtract lines 7 and 8 from line 6a	193,851.			
10 Analysis of line 9:				
a Excess from 2015 86,887.				
b Excess from 2016 60,555.				
c Excess from 2017				
d Excess from 2018 46,409.				
e Excess from 2019				

BAA

Form 990-PF (2019)

Part XIV. Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

1 a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2019, enter the date of the ruling				► <input type="text"/>
b	Check box to indicate whether the foundation is a private operating foundation described in section				<input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)
2 a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				
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)(ii)				
(3)	Largest amount of support from an exempt organization				
(4)	Gross investment income				

Part XV. Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year – see instructions.)**1 Information Regarding Foundation Managers:**

a List any 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).)

None

b List any 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

None

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:

See Statement 10

b The form in which applications should be submitted and information and materials they should include.

See Statement for Line 2a

c Any submission deadlines:

See Statement for Line 2a

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

See Statement for Line 2a

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)				
<i>a Paid during the year</i>				
See Statement 11				
Total				► 3a 198,348.
<i>b Approved for future payment</i>				
Total				► 3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	9	
4 Dividends and interest from securities			14	136,983	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	104,189	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue.					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				241,181	
13 Total. Add line 12, columns (b), (d), and (e)					13 241,181

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Part XVII: Information Regarding Transfers to and Transactions and Relationships With Noncharitable Exempt Organizations

1. Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of

- (1) Cash
- (2) Other assets

b Other transactions

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitation
- Sharing of facilities, equipment, mailing lists, other assets, or paid

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
1 a (1)		X
1 a (2)		X
1 b (1)		X
1 b (2)		X
1 b (3)		X
1 b (4)		X
1 b (5)		X
1 b (6)		X
1 c		X

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (other than section 501(c)(3)) or in section 527? _____.

Yes No

b If 'Yes,' complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

**Sign
Here**

Signature of officer or trustee

Date _____

Title

May the IRS discuss
this return with the
preparer shown below?
See instructions.

Signature of filer or trustee		Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN
Paid Preparer Use Only	Print/Type preparer's name	Jacqueline K Lorsong	6/26/20		P00060761
	Firm's name	Jacqueline K. Lorsong, CPA	Firm's EIN ► 52-1965935		
	Firm's address	13890 Rover Mill Road West Friendship, MD 21794-9741			
		Phone no	301-854-5003		

BAA

Form 990-PF (2019)

Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Corporation Service Company	\$ 534.	\$ 0.		\$ 534.
Total	<u>\$ 534.</u>	<u>\$ 0.</u>		<u>\$ 534.</u>

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Jacqueline Lorsong, CPA	\$ 4,850.	\$ 2,425.		\$ 2,425.
Total	<u>\$ 4,850.</u>	<u>\$ 2,425.</u>		<u>\$ 2,425.</u>

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Capra Enterprises, Inc.-Investment mgmt	\$ 60,060.	\$ 60,060.		
Knapp Foundation-grant assistance	\$ 9,500.			\$ 9,500.
Total	<u>\$ 69,560.</u>	<u>\$ 60,060.</u>		<u>\$ 9,500.</u>

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
U S Excise tax-Form 990PF	\$ 3,557.			
Total	<u>\$ 3,557.</u>	<u>\$ 0.</u>		<u>\$ 0.</u>

Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Bank charges	\$ 123.			\$ 123.
Insurance	2,641.			2,641.
Investment fees	840.	\$ 840.		
Office expense	207.			207.
Postage	629.			629.
Total	\$ 4,440.	\$ 840.		\$ 3,600.

Statement 6
Form 990-PF, Part II, Line 10a
Investments - U.S. and State Government Obligations

<u>U.S. Government Obligations</u>	Valuation Method	Book Value	Fair Market Value
200000 US Treasury bills 2/28/19	Cost	\$ 0.	\$ 0.
200000 US Treasury bills 2/27/20	Cost	195,596.	199,530.
503300 US Treasury bills 5/21/20	Cost	499,947.	500,315.
	Total	\$ 695,543.	\$ 699,845.
<u>State/Municipal Obligations</u>	Valuation Method	Book Value	Fair Market Value
25000 Metropolitan Nashville Arpt Auth	Cost	25,754.	25,621.
	Total	\$ 25,754.	\$ 25,621.
		Total	\$ 721,297.
			\$ 725,466.

Statement 7
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

<u>Corporate Stocks</u>	Valuation Method	Book Value	Fair Market Value
2398 Coca Cola	Cost	\$ 15,375.	\$ 132,729.
1475 Exxon Mobil	Cost	5,735.	102,926.
580 Nxtexera Energy Corp	Cost	6,583.	140,453.
1178 Chevron Corporation	Cost	123,716.	141,961.
3594 Pfizer, Inc.	Cost	74,988.	140,813.
391.25 NCR Corporation	Cost	0.	13,756.
2797 Verizon Communications	Cost	129,457.	171,736.
4667 AT&T Inc	Cost	171,334.	182,386.
1619 Abbvié Inc	Cost	0.	0.
1431 Merck & Co	Cost	71,143.	130,149.
4000 Allstate Corp Leopards	Cost	0.	0.
712 Kinder Morgan Inc	Cost	0.	0.
833 American Electric Power Company Inc	Cost	50,640.	78,727.
1003 Vodafone Group PLC	Cost	0.	0.
184 Caterpillar	Cost	25,305.	27,173.

Statement 7 (continued)
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

<u>Corporate Stocks</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
1265 Dow Inc	Cost	\$ 76,217.	\$ 69,233.
1965 General Mills Inc	Cost	102,488.	105,245.
1985 General Mtrs Co	Cost	75,774.	72,651.
	Total	\$ 928,755.	\$ 1,509,938.

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

<u>Other Publicly Traded Securities</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
19802 Putnam Diversified Income Trust Fu	Cost	\$ 0.	\$ 0.
1480 iShares Tr Dow Jones US Utils Secto	Cost	110,915.	239,834.
4425 iShares Tr S&P U S Pfd Stk	Cost	157,461.	166,336.
151 Advisors Disciplined Tr Unit 541	Cost	123,142.	111,316.
100 Advisors Disciplined Tr Unit 648	Cost	85,583.	80,156.
285 SPDR S&P 500 ETF	Cost	40,361.	91,730.
1175 iShares Tr 1-3 Yr Treas Bd ETF	Cost	0.	0.
945 iShares Tr 1-3 Yr Crp Bd ETF	Cost	0.	0.
9209 Advisors Disciplined Tr Unit 1778 R	Cost	0.	0.
25174 Adv Disciplined Tr Unit 1830 Dow	Cost	0.	0.
1162 iShares Mortgage RE Capped ETF	Cost	0.	0.
18419 Adv Disc Tr Unit 1836	Cost	0.	0.
17934 Adv Disc Tr Unit 1893	Cost	0.	0.
29889 Advisors Disciplined Tr Unit 1925	Cost	300,003.	312,938.
16685 Advisors Disciplined Tr Unit 1931	Cost	166,814.	170,187.
9030 Advisors Disciplined Tr Unit 1931 R	Cost	89,556.	95,086.
	Total	\$ 1,073,835.	\$ 1,267,583.

Statement 9
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

<u>Item</u>	<u>(a) Description</u>	<u>(b) How Acquired</u>	<u>(c) Date Acquired</u>	<u>(d) Date Sold</u>
1	1003 Vodafone Group PLC	Purchased	5/31/2018	3/26/2019
2	425 Kohls Corp	Purchased	6/27/2019	8/19/2019
3	502000 US Treas Bills	Purchased	8/15/2019	11/14/2019
4	465 Abbvie Inc	Purchased	8/12/2014	7/29/2019
5	9209 Advisors Disciplined Tr Unit 1778	Purchased	4/17/2017	3/11/2019
6	25174 Advisors Disciplined Tr Unit 1830	Purchased	11/27/2017	2/25/2019
7	18419 Advisors Disciplined Tr Unit 1836	Purchased	3/08/2018	3/22/2019
8	17934 Advisors Tr Disciplined Unit 1893	Purchased	9/19/2018	12/20/2019
9	4000 Allstate Corp Leopar DS	Purchased	6/06/2014	10/15/2019
10	1175 iShares Tr 1-3 Yr Tr	Purchased	8/03/2016	7/25/2019
11	1890 iShares Tr Short-term Corp	Purchased	8/03/2016	7/25/2019

Statement 9 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold				
12	1162 iShares Tr Mtg Real Estate	Purchased	1/05/2017	7/25/2019				
13	324 Abbvie Inc	Purchased	5/11/2012	7/29/2019				
14	712 Kinder Morgan Inc	Purchased	12/03/2014	7/25/2019				
15	12106.538 Putnam Diversified Income	Purchased	8/03/2010	7/25/2019				
16	830 Abbvie Inc	Purchased	Various	7/29/2019				
17	249 Chevron Corp	Purchased	Various	4/23/2019				
18	530 Pfizer Inc	Purchased	7/01/1992	4/23/2019				
19	7695.655 Putnam Diversified Income	Purchased	8/05/2009	7/25/2019				
20	200000 US Treas Bills	Purchased	2/27/2018	2/28/2019				
21	Capital Gain Dividends							
Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
1	18,450.	26,423.	-7,973.				\$ -7,973.	
2	20,102.	20,356.	-254.					-254.
3	499,906.	499,906.	0.					0.
4	30,986.	24,967.	6,019.					6,019.
5	90,307.	93,469.	-3,162.					-3,162.
6	266,804.	254,480.	12,324.					12,324.
7	166,994.	173,073.	-6,079.					-6,079.
8	208,266.	174,571.	33,695.					33,695.
9	100,000.	100,004.	-4.					-4.
10	98,496.	100,905.	-2,409.					-2,409.
11	99,968.	100,923.	-955.					-955.
12	49,329.	48,143.	1,186.					1,186.
13	21,590.	10,626.	10,964.					10,964.
14	14,361.	29,206.	-14,845.					-14,845.
15	84,380.	95,950.	-11,570.					-11,570.
16	55,309.	5,294.	50,015.					50,015.
17	30,080.	16,721.	13,359.					13,359.
18	20,538.	2,038.	18,500.					18,500.
19	53,637.	56,783.	-3,146.					-3,146.
20	196,402.	196,402.	0.					0.
21								8,524.
							Total \$ 104,189.	

Statement 10
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:
 Name: Ruth Capranica
 Care Of:
 Street Address: PO Box 0
 City, State, Zip Code: St. Michaels, MD 21663
 Telephone: 410-745-5660
 E-Mail Address:
 Form and Content: Detailed letter
 Submission Deadlines: None
 Restrictions on Awards: None

Statement 11
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
South Dorchester High School 2475 Cambridge Bypass Cambridge MD 21613	None		Student scholarship program	\$ 17,500.
Currituck County High School 4203 Caratoke Highway Barco NC 27917	None		Student scholarship program	26,691.
Easton High School 723 Mecklenburg Avenue Easton MD 21601	None		Student scholarship program	20,500.
Kent Island High School 900 Love Point Road Stevensville MD 21666	None		Student scholarship program	25,250.
North Dorchester High School 5875 Cloverdale Road Hurlock MD 21643	None		Student scholarship program	17,324.
Queen Anne County High School 125 Ruthsburg Road Centreville MD 21617	None		Student scholarship program	28,500.
St. Michaels High School 200 Seymour Avenue St. Michaels MD 21663	None		Student scholarship program	12,383.
Colonel Richardson High School 25320 Richardson Road Federalsburg MD 21632	None		Student scholarship program	14,500.
Crisfield High School 210 N Somerset Avenue Crisfield MD 21817	None		Student scholarship program	7,000.
North Caroline High School 10990 River Road Ridgely MD 21660	None		Student scholarship program	20,000.
Washington High School 10902 Old Princess Anne Road Princess Anne MD 21853	None		Student scholarship program	5,500.

Knapp Educational Fund, Inc.

13-2970128

Statement 11 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
MD State Police Alumni Association 1750 S Plantation Drive Dunkirk MD 20754	None		One time restricted grant	\$ 3,200.
			Total	\$ <u>198,348.</u>