

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.

For calendar year 2017 or tax year beginning

, and ending

Name of foundation THE RICHARD A. HENSON FOUNDATION, INC.		A Employer identification number 52-1642558
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 151	Room/suite	B Telephone number 410-742-7057
City or town, state or province, country, and ZIP or foreign postal code SALISBURY, MD 21803		C If exemption application is pending, check here ... <input type="checkbox"/>
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		D 1. Foreign organizations, check here ... <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ... <input type="checkbox"/>
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		E If private foundation status was terminated under section 507(b)(1)(A), check here ... <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 39,851,003.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ... <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>		(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				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	665.	665.		STATEMENT 1
	4 Dividends and interest from securities	856,184.	856,184.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,425,892.			
	b Gross sales price for all assets on line 6a	6,089,591.			
	7 Capital gain net income (from Part IV, line 2)		1,425,892.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income	76,494.	1,584.	56,624.	STATEMENT 3	
12 Total. Add lines 1 through 11	2,359,235.	2,284,325.	56,624.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	65,400.	16,350.	0.	49,050.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	5,029.	1,257.	0.	3,771.
	16a Legal fees				
	b Accounting fees	12,800.	11,520.	0.	1,280.
	c Other professional fees	48,624.	48,624.	0.	0.
	17 Interest				
	18 Taxes	13,144.	13,144.	0.	0.
	19 Depreciation and depletion	32,654.	2,870.	29,784.	
	20 Occupancy	62,992.	17,652.	26,840.	18,500.
	21 Travel, conferences, and meetings	362.	0.	0.	362.
	22 Printing and publications				
	23 Other expenses	8,493.	2,656.	0.	5,837.
	24 Total operating and administrative expenses. Add lines 13 through 23	249,498.	114,073.	56,624.	78,800.
	25 Contributions, gifts, grants paid	2,514,100.			2,514,100.
26 Total expenses and disbursements. Add lines 24 and 25	2,763,598.	114,073.	56,624.	2,592,900.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-404,363.				
b Net investment income (if negative, enter -0-)		2,170,252.			
c Adjusted net income (if negative, enter -0-)			0.		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	6,168.	5,678.	5,678.
	2 Savings and temporary cash investments	447,712.	164,315.	164,315.
	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			
	7 Other notes and loans receivable			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock	STMT 8 29,510,565.	29,412,786.	37,291,170.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment: basis			
Less: accumulated depreciation				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment: basis	779,231.			
Less: accumulated depreciation	614,874.	179,644.	164,357.	
15 Other assets (describe)	STATEMENT 9)	1,561,767.	1,554,441.	2,225,483.
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		31,705,856.	31,301,577.	39,851,003.
Liabilities	17 Accounts payable and accrued expenses	2,720.	2,804.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe)			
23 Total liabilities (add lines 17 through 22)		2,720.	2,804.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here	<input checked="" type="checkbox"/>		
	and complete lines 24 through 26, and lines 30 and 31.			
	24 Unrestricted	30,141,369.	29,744,332.	
	25 Temporarily restricted	1,561,767.	1,554,441.	
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here	<input type="checkbox"/>		
	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		31,703,136.	31,298,773.	
31 Total liabilities and net assets/fund balances		31,705,856.	31,301,577.	

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	31,703,136.
2 Enter amount from Part I, line 27a	2	-404,363.
3 Other increases not included in line 2 (itemize)	3	0.
4 Add lines 1, 2, and 3	4	31,298,773.
5 Decreases not included in line 2 (itemize)	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	31,298,773.

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 VANGUARD			
b BOY SCOUT ENDOWMENT FUND	P		
c CAPITAL GAINS DIVIDENDS			
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 5,574,594.		4,653,873.	920,721.
b 16,091.		9,826.	6,265.
c 498,906.			498,906.
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69.			(l) 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			920,721.
b			6,265.
c			498,906.
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	1,425,892.
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). If (loss), enter -0- in Part I, line 8		3	N/A

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))
2016	1,698,289.	35,440,735.	.047919
2015	1,327,468.	36,485,420.	.036384
2014	1,407,616.	36,613,354.	.038445
2013	1,549,681.	33,647,504.	.046056
2012	1,231,269.	30,540,262.	.040316

2 Total of line 1, column (d)	2	.209120
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	.041824
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	38,243,015.
5 Multiply line 4 by line 3	5	1,599,476.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	21,703.
7 Add lines 5 and 6	7	1,621,179.
8 Enter qualifying distributions from Part XII, line 4	8	2,592,900.

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 <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	21,703.
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	21,703.
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	21,703.
6 Credits/Payments:			
a 2017 estimated tax payments and 2016 overpayment credited to 2017	6a	15,161.	
b Exempt foreign organizations - tax withheld at source	6b	0.	
c Tax paid with application for extension of time to file (Form 8868)	6c	0.	
d Backup withholding erroneously withheld	6d	0.	
7 Total credits and payments. Add lines 6a through 6d	7	15,161.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	127.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	6,669.	
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 <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition 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.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 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.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year? 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> .		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • 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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered. See instructions. <input type="checkbox"/> <u>MD</u>		
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	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 2017 or the tax year beginning in 2017? See the instructions for Part XIV. If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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 RICHARDHENSONFOUNDATION.ORG	X	
14 The books are in care of DONNA ALTVATER Telephone no. 410-742-7057 Located at 200 WEST MAIN STREET, SALISBURY, MD ZIP+4 21801		
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		N/A
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?	<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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" 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		N/A
Organizations relying on a current notice regarding disaster assistance, check here		<input type="checkbox"/>
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?		X
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	<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.)		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.		
3a 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 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:			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 <input type="checkbox"/> N/A <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance, check here <input type="checkbox"/>	5b		
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? <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> 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? <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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes" to 6b, file Form 8870.	6b		X
7a	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? <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No	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.

(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 10		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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
DONNA ALTVATOR - 200 WEST MAIN STREET, SALISBURY, MD 21801	EXECUTIVE DIRECTOR	65,400.	0.	0.

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. If none, enter "NONE."

Table with 3 columns: (a) Name and address of each person paid more than \$50,000, (b) Type of service, (c) Compensation. Row 1 contains 'NONE'.

Total number of others receiving over \$50,000 for professional services 0

Part IX-A Summary of Direct Charitable Activities

Table with 2 columns: Description of activities, Expenses. Row 1 contains 'N/A'.

Part IX-B Summary of Program-Related Investments

Table with 2 columns: Description of investments, Amount. Row 1 contains 'N/A'.

Total. Add lines 1 through 3 0.

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	38,227,564.
b	Average of monthly cash balances	1b	359,141.
c	Fair market value of all other assets	1c	238,691.
d	Total (add lines 1a, b, and c)	1d	38,825,396.
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	38,825,396.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	582,381.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	38,243,015.
6	Minimum investment return. Enter 5% of line 5	6	1,912,151.

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	1,912,151.
2a	Tax on investment income for 2017 from Part VI, line 5	2a	21,703.
b	Income tax for 2017. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	21,703.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,890,448.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,890,448.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,890,448.

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	2,592,900.
b	Program-related investments - total from Part IX-B	1b	0.
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	2,592,900.
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	5	21,703.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,571,197.

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				1,890,448.
2 Undistributed income, if any, as of the end of 2017:				
a Enter amount for 2016 only			674,182.	
b Total for prior years:		0.		
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	0.			
4 Qualifying distributions for 2017 from Part XII, line 4: ▶ \$ 2,592,900.				
a Applied to 2016, but not more than line 2a			674,182.	
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 2017 distributable amount				1,890,448.
e Remaining amount distributed out of corpus	28,270.			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	28,270.			
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 2016. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
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)	0.			
8 Excess distributions carryover from 2012 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	28,270.			
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	28,270.			

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 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)

Table with 5 columns: (a) 2017, (b) 2016, (c) 2015, (d) 2014, (e) Total. Rows include 2a-e (Qualifying distributions) and 3a-d (Alternative tests).

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.

a The name, address, and telephone number or email address of the person to whom applications should be addressed: DONNA ALTVATER, 410-742-7057 P.O. BOX 151, SALISBURY, MD 21803

b The form in which applications should be submitted and information and materials they should include: NO SPECIFIC FORM, APPLICATION SHOULD INCLUDE SUMMARY OF SCOPE/ACTS

c Any submission deadlines: NONE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors: NO

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				
BIG BROTHERS/BIG SISTERS 1915 N SALISBURY BLVD SALISBURY, MD 21801		PC	OPERATING EXPENSES	17,592.
SALISBURY UNIVERSITY FOUNDATION 1308 CAMDEN AVENUE SALISBURY, MD 21801		PC	OPERATING EXPENSES	500,000.
CHRISTIAN SHELTER INC 334 BARCLAY STREET SALISBURY, MD 21804		PC	OPERATING EXPENSES	20,000.
CHESAPEAKE HOUSING 30754 FOXCHASE DR SALISBURY, MD 21801		PC	OPERATING EXPENSES	15,000.
SALISBURY CHRISTIAN SCHOOL 807 PARKER ROAD SALISBURY, MD 21804		PC	CAPITAL CONTRIBUTION	50,000.
Total	SEE CONTINUATION SHEET(S)			2,514,100.
b Approved for future payment				
NONE				
Total				0.

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

Table with 3 columns: Question, Yes, No. Contains questions 1a through 1c regarding transfers and transactions.

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Contains 'N/A' in the third column.

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

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Contains 'N/A' in the first column.

Sign Here 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. Signature of officer or trustee Date Title

Paid Preparer Use Only Print/Type preparer's name JOHN M. STERN, C.P.A. Preparer's signature Date Check if self-employed PTIN P00000490 Firm's name PKS & COMPANY, P.A. Firm's EIN 52-1224986 Firm's address 1801 SWEETBAY DRIVE SALISBURY, MD 21804 Phone no. (410) 546-5600

May the IRS discuss this return with the preparer shown below? See instr. Yes No

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

Recipient Name and address (home or business)	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
COMMUNITY FOUNDATION OF THE EASTERN SHORE 1324 BELMONT AVE SALISBURY, MD 21804		PC	OPERATING EXPENSES	250.
DELMARVA COUNCIL BOY SCOUTS OF AMERICA 31976 RUSHMORE DRIVE PARSONSBURG, MD 21849		PC	SUSTAINING MEMBERSHIP	51,924.
YOUNG LIFE PO BOX 3822 SALISBURY, MD 21802		PC	OPERATING EXPENSES	10,000.
DOVE POINTE FOUNDATION, INC. 1225 MT HERMON ROAD SALISBURY, MD 21804		PC	OPERATING EXPENSES OPERATING EXPENSES	10,000.
EASTER SEALS DELAWARE AND MARYLAND'S EASTERN SHORE 1336 BELMONT AVE #502 SALISBURY, MD 21804		PC	OPERATING EXPENSES	10,000.
ELEVEN 21 INC, EPOCH DREAM CENTER 7545 LEVIN DASHIELL ROAD HEBRON, MD 21830		PC	OPERATING EXPENSES OPERATING EXPENSES	48,000.
RESOURCE RECOVERY CENTER 726 S. SALISBURY BLVD SALISBURY, MD 21801		PC	OPERATING EXPENSES	7,700.
HABITAT FOR HUMANITY OF WICOMICO COUNTY 908 ISABELLA ST SALISBURY, MD 21801		PC	OPERATING EXPENSES	500.
ROTARY CLUB OF SALISBURY 1715 RIVERSIDE DR SALISBURY, MD 21801		PC	OPERATING EXPENSES	5,000.
JUNIOR ACHIEVEMENT OF THE EASTERN SHORE 200 W MAIN STREET SALISBURY, MD 21801		PC	OPERATING EXPENSES OPERATING EXPENSES	20,000.
Total from continuation sheets				1,911,508.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	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
PENINSULA REGIONAL MEDICAL CENTER 100 E CARROLL STREET SALISBURY, MD 21801		PC	CAPITAL CONTRIBUTION	750,000.
SALISBURY URBAN MINISTRIES 326 BARCLAY STREET SALISBURY, MD 21804		PC	OPERATING EXPENSES	15,000.
UMES FOUNDATION J.T. WILLIAMS HALL, SUITE 2107 PRINCESS ANNE, MD 21852		PC	CAPITAL CONTRIBUTION	333,333.
UNITED WAY LOWER EASTERN SHORE 803 N SALISBURY BLVD #2100 SALISBURY, MD 21801		PC	CAPITAL CAMPAIGN	8,500.
VARIOUS VARIOUS SALISBURY, MD 21804		PC	OPERATING EXPENSES	32,301.
WARD MUSEUM 909 S SCHUMAKER DRIVE SALISBURY, MD 21804		PC	OPERATING EXPENSES	62,500.
YMCA OF THE CHESAPEAKE PO BOX 3296 SALISBURY, MD 21802-3296		PC	CAPITAL CAMPAIGN	546,500.
Total from continuation sheets				

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ Attach to the corporation's tax return. **FORM 990-PF**

2017

▶ Go to www.irs.gov/Form2220 for instructions and the latest information.

Name THE RICHARD A. HENSON FOUNDATION, INC.	Employer identification number 52-1642558
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Note: Generally, the corporation isn't required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment			
1 Total tax (see instructions)		1	21,703.
2 a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c Credit for federal tax paid on fuels (see instructions)	2c		
d Total. Add lines 2a through 2c		2d	
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation doesn't owe the penalty		3	21,703.
4 Enter the tax shown on the corporation's 2016 income tax return. See instructions. Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5		4	15,161.
5 Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	15,161.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it doesn't owe a penalty. See instructions.

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment					
		(a)	(b)	(c)	(d)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	05/15/17	06/15/17	09/15/17	12/15/17
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% (0.25) of line 5 above in each column	10	3,790.	7,061.	5,426.	5,426.
11 Estimated tax paid or credited for each period. For column (a) only, enter the amount from line 11 on line 15. See instructions	11	15,161.			
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12		11,371.	4,310.	
13 Add lines 11 and 12	13		11,371.	4,310.	
14 Add amounts on lines 16 and 17 of the preceding column	14				1,116.
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	15,161.	11,371.	4,310.	0.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		0.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17			1,116.	5,426.
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18	11,371.	4,310.		

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier. (C Corporations with tax years ending June 30 and S corporations: Use 3rd month instead of 4th month. Form 990-PF and Form 990-T filers: Use 5th month instead of 4th month.) See instructions	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2017 and before 7/1/2017	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 4\% (0.04)}{365}$...	22 \$	\$	\$	\$
23 Number of days on line 20 after 06/30/2017 and before 10/1/2017	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 4\% (0.04)}{365}$...	24 \$	\$	\$	\$
25 Number of days on line 20 after 9/30/2017 and before 1/1/2018	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 4\% (0.04)}{365}$...	26 \$	\$	\$	\$
27 Number of days on line 20 after 12/31/2017 and before 4/1/2018	27	SEE ATTACHED WORKSHEET		
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 4\% (0.04)}{365}$...	28 \$	\$	\$	\$
29 Number of days on line 20 after 3/31/2018 and before 7/1/2018	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{365}$	30 \$	\$	\$	\$
31 Number of days on line 20 after 6/30/2018 and before 10/1/2018	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	32 \$	\$	\$	\$
33 Number of days on line 20 after 9/30/2018 and before 1/1/2019	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{365}$	34 \$	\$	\$	\$
35 Number of days on line 20 after 12/31/2018 and before 3/16/2019	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{365}$	36 \$	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37 \$	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns	38			\$ 127.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

FORM 990-PF
UNDERPAYMENT OF ESTIMATED TAX WORKSHEET

Name(s)					Identifying Number
THE RICHARD A. HENSON FOUNDATION, INC.					52-1642558
(A) *Date	(B) Amount	(C) Adjusted Balance Due	(D) Number Days Balance Due	(E) Daily Penalty Rate	(F) Penalty
		-0-			
05/15/17	3,790.	3,790.			
05/15/17	-15,161.	-11,371.			
06/15/17	7,061.	-4,310.			
09/15/17	5,426.	1,116.	91	.000109589	11.
12/15/17	5,426.	6,542.	106	.000109589	76.
03/31/18	0.	6,542.	45	.000136986	40.
Penalty Due (Sum of Column F).					127.

* Date of estimated tax payment, withholding credit date or installment due date.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
SHORE BANK	665.	665.	665.
TOTAL TO PART I, LINE 3	665.	665.	665.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
BOY SCOUT ENDOWMENT FUND UNRESTRICTED INVESTMENTS	45,427.	421.	45,006.	45,006.	45,006.
US INTEREST	1,254,557.	498,485.	756,072.	756,072.	756,072.
	55,106.	0.	55,106.	55,106.	55,106.
TO PART I, LINE 4	1,355,090.	498,906.	856,184.	856,184.	856,184.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MISCELLANEOUS REFUND OF EXCISE TAXES FACILITIES COST REIMB.	1,584.	1,584.	
	18,286.	0.	
	56,624.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	76,494.	1,584.	

FORM 990-PF	ACCOUNTING FEES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ACCOUNTING	12,800.	11,520.	0.	1,280.	
TO FORM 990-PF, PG 1, LN 16B	12,800.	11,520.	0.	1,280.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INVESTMENT MANAGEMENT FEES	48,624.	48,624.	0.	0.	
TO FORM 990-PF, PG 1, LN 16C	48,624.	48,624.	0.	0.	

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES	13,144.	13,144.	0.	0.	
TO FORM 990-PF, PG 1, LN 18	13,144.	13,144.	0.	0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
SUPPLIES	2,999.	750.	0.	2,249.	
MISCELLANEOUS	2,035.	508.	0.	1,527.	
TELEPHONE AND FAX	1,017.	763.	0.	254.	
POSTAGE AND PRINTING	2,442.	635.	0.	1,807.	
TO FORM 990-PF, PG 1, LN 23	8,493.	2,656.	0.	5,837.	

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
VANGUARD	29,338,452.	37,216,836.	
MISC PARTNERSHIPS	74,334.	74,334.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	29,412,786.	37,291,170.	

FORM 990-PF	OTHER ASSETS	STATEMENT	9
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
BOY SCOUT ENDOWMENT FUND	1,561,767.	1,554,441.	2,225,483.
TO FORM 990-PF, PART II, LINE 15	1,561,767.	1,554,441.	2,225,483.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
GORDON D. GLADDEN 200 WEST MAIN STREET SALISBURY, MD 21801	TRUSTEE 0.00	0.	0.	0.
STEVEN R. FARROW 200 WEST MAIN STREET SALISBURY, MD 21801	VICE CHAIRMAN 0.00	0.	0.	0.
THOMAS L. TRICE, IV 200 WEST MAIN STREET SALISBURY, MD 21801	TREASURER 0.00	0.	0.	0.
JON P. SHERWELL 200 WEST MAIN STREET SALISBURY, MD 21801	TRUSTEE 0.00	0.	0.	0.
THOMAS H. EVANS 200 WEST MAIN STREET SALISBURY, MD 21801	SECRETARY 0.00	0.	0.	0.
VICTOR H. LAWS, III 200 WEST MAIN STREET SALISBURY, MD 21801	CHAIRMAN 0.00	0.	0.	0.
GREGORY J. OLINDE 200 WEST MAIN STREET SALISBURY, MD 21801	TRUSTEE 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.