

2012 ANNUAL REPORT

CELEBRATING 35 YEARS

THE
MARION I. & HENRY J.
KNOTT FOUNDATION

The Marion I. & Henry J. Knott Foundation is a Catholic family foundation committed to honoring our founders' legacy of generosity to strengthen our community.


Dear Friends and Colleagues,

This year we celebrated our 35th anniversary.

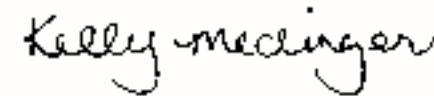
Since Marion I. and Henry J. Knott founded the Knott Foundation in 1977, we have grown to include 30 family members on our Board of Trustees, who together represent three generations of the Knott family.

We are a premier Catholic family foundation in Maryland and continue to dedicate ourselves to honoring the legacy of generosity that our founders began many years ago.

This annual report tells the story of some of our contributions to the Maryland nonprofit community. We hope you enjoy learning more about the impact of our grantmaking, and we look forward to continuing to share our story with you in the many years to come.



Owen Knott
President, Board of Trustees



Kelly Medinger
Executive Director

Marion I. and Henry J. Knott, Founders and Trustees Emeritus

35 Years, \$48.2 Million

in grant awards

\$52 Million

in assets as of December 31, 2012

\$44,000

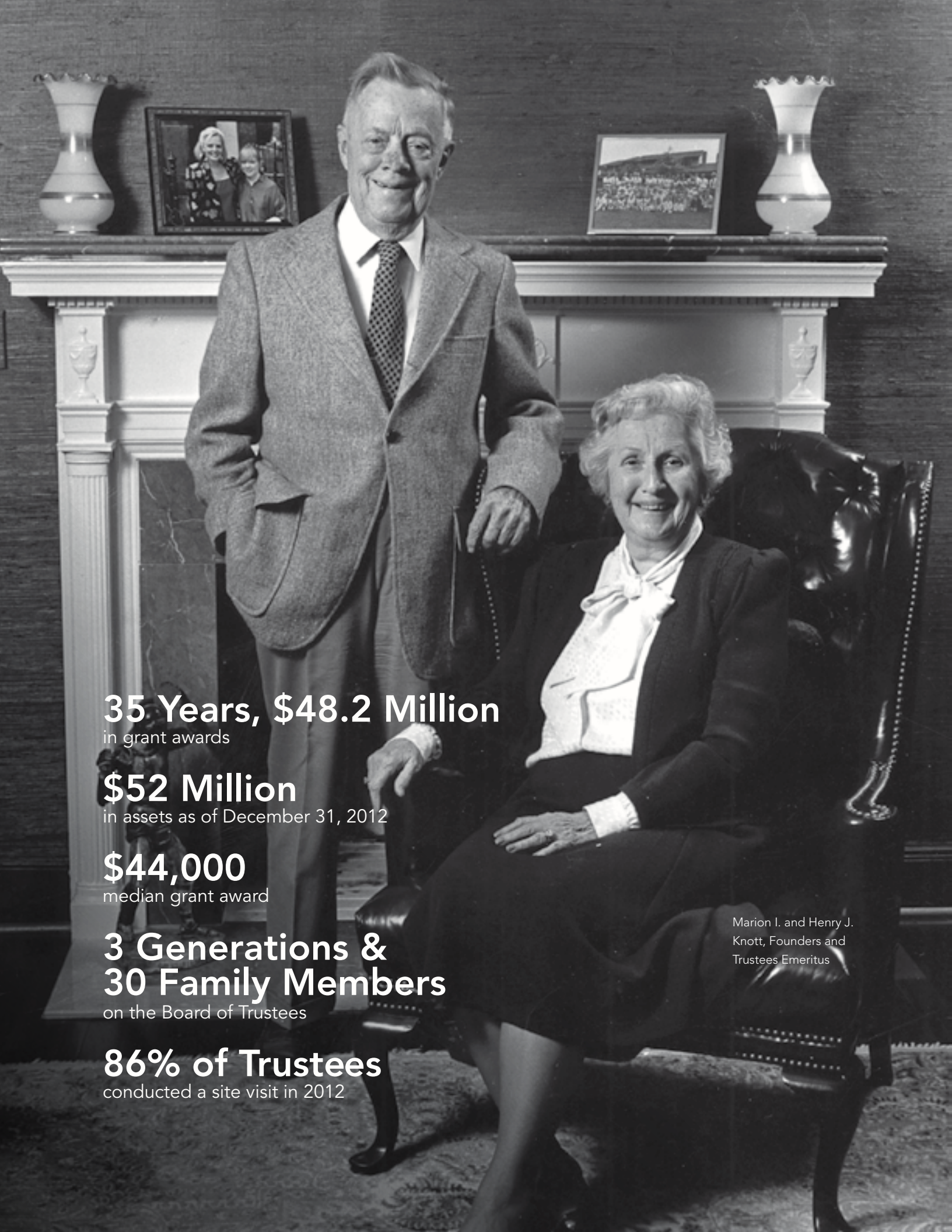
median grant award

3 Generations & 30 Family Members

on the Board of Trustees

86% of Trustees

conducted a site visit in 2012





ARTS & HUMANITIES

Ballet Theatre of Maryland

As the only professional ballet company in the state, Ballet Theatre of Maryland is a natural gateway into the world of dance for people of all ages. Each year the Ballet Theatre reaches more than 23,000 people through performances, contemporary and classical dance training, and outreach in schools.

“We are a small organization doing as much as some large organizations,” shares Dianna Cuatto, Artistic Director. “Our success comes from our incredible team of people and the energy that they bring to our work—the dancers, board members, students, parents, and administrative staff,” she adds. It is not uncommon, for example, to find a dancer building and painting sets for an upcoming production.

With support from the Knott Foundation, Ballet Theatre of Maryland hired a full-time Development Officer charged with structuring the organization’s fundraising efforts. During the grant period, the Development Officer raised approximately \$60,000 in new and increased gifts by identifying new donors, initiating a scholarship program, increasing gifts to the annual fundraising appeal, and nearly doubling the profits from the annual gala.

“Her work allowed me to focus my time on new and exciting initiatives, such as our Point of Entry program,” explains Cuatto. The Point of Entry program invites people into the studio for an intimate experience

with the ballet. They spend an hour meeting the dancers, mingling with board members, learning about the vision of the organization, hearing testimonials about educational outreach activities, and watching a live performance. Each attendee then leaves with two complimentary tickets to a future performance and a pledge card to commit their time, talent, or treasure to the organization.

Meanwhile, Ballet Theatre doubled the number of school children reached through their educational outreach last academic year. This year they received grant support to implement a program for preschoolers, teaching the young children about creative movement and helping their teachers better integrate arts education into the preschool curriculum.

In the end, it is clear that the Ballet Theatre serves not only as a gateway into the world of dance, but into many different fields, such as art, literature and history. After seeing a piece focusing on Maryland history performed by the Ballet Theatre for the bicentennial celebration of the War of 1812, one child announced, “I really liked Dolley Madison... Can I be her?” Indeed, the Ballet Theatre became an avenue for this child to experience Maryland’s rich history through the world of dance.

In the arts & humanities program area, the Knott Foundation has supported performing arts organizations, visual art and history museums, as well as instructional art programs.

CATHOLIC ACTIVITIES

Catholic Community at Relay

As with any church built in 1880, the Catholic Community at Relay (CCR) was peppered with steps and narrow passages until they embarked on a major renovation project to make the church more accessible to those with disabilities. The Knott Foundation helped fund the construction of a ramp leading up to the church's entrance, which provides people in wheelchairs, with walkers, on crutches, or even those pushing strollers easy access to the worship space.

"A large part of my healing is being back in my faith community,"

lifelong CCR member, Elise Cole, proclaims. Due to a knee injury, the young mother of three has relied on crutches for nearly a year, so she is especially grateful for the ramp.

In addition to solving a physical access issue, the construction project served as a community building experience for CCR. All 100 households belonging to the faith community, representing more than 250 individuals in total, contributed volunteer time and/or financial resources to the effort. Notably, CCR exceeded its fundraising goal for the work by 30%. And one CCR member even

On the day of First Holy Communion, friends and family of the Catholic Community at Relay bounded up the steps to the small church to see their children, grandchildren, and even great grandchildren receive this important sacrament. Yet not all family members were able to climb the stairs, so some used the newly constructed ramp leading to the church's entrance.

recruited a local Boy Scout to undertake the landscaping and hardscaping surrounding the new ramp as his Eagle Scout project.

CCR is an intentional eucharistic community located in the historic village of Relay, Maryland. It is ecclesiastically approved by the Archdiocese of Baltimore but different than a traditional parish. Visiting priests, usually from religious orders such as the Franciscans, Jesuits, or Trinitarians, celebrate mass on Sunday. Beyond that, each member of the community takes full responsibility for running CCR. "An underlying theme is that every member has a vested interest in the church. We are all responsible, from managing the finances, to emptying the trash, to cleaning the church. Volunteerism is something we see in every aspect of what we do," states Greg Bean, CCR member.

Connie Maas, CCR member, concludes: "The words 'faith community' really sum it up. We are bound by faith, and we work together as a family to support each other, our own spiritual growth, and our commitment to actively carry out the message of Christ."

Through a focus on Catholic activities, the Knott Foundation supports churches, faith communities, religious orders, retreat houses and spiritual centers.



EDUCATION

Junior Achievement of Central Maryland

How many young people can calculate the value of a stock portfolio, or define the difference between gross and net income? Nine in ten Catholic school seventh and eighth graders could, after participating in Junior Achievement of Central Maryland's Finance Park program.

“At Junior Achievement, we give young people the knowledge and skills they need to own their economic success, plan for their future, and make smart academic and economic choices,” remarks Jennifer Bodensiek, President of Junior Achievement of Central MD (JA). JA's programs are designed to deliver hands-on experiences that give young people knowledge and skills in financial literacy, work readiness and entrepreneurship.

“JA helps students by supplying a real-world perspective that complements classroom learning,” Bodensiek says. “This approach is especially important given so many young people drop out or perform poorly in school because of boredom. This sense of boredom often stems from a disconnect between the classroom and the skills they perceive needing in the real world. The goal of JA programs and our cadre of trained corporate and community volunteers is to share life lessons to



make learning come to life and be that connector between class and the real world,” she adds.

When it comes to connecting with more young people, JA has had great success. The organization currently serves 33,000 students annually in 12 Maryland counties, a 64% increase from the previous year. Over the last 15 years, the Knott Foundation has invested nearly \$100,000 to support JA's work in Catholic schools in particular. Most recently, a grant enabled more than 3,000 middle grade students and 800 elementary students to participate in JA's two capstone programs, JA BizTown and JA Finance Park Virtual.

JA BizTown is an interactive experience where students visit a simulated town, work at assigned jobs, receive paychecks, buy and sell goods and services, and manage their business and personal finances. When students are older,

they participate in JA Finance Park Virtual—a computer simulation where a student receives a unique profile (such as a married woman with two children making \$40,000/year) and then plays the game of life, budgeting and investing her own money as various situations arise.

Notably, the Foundation's grant was a key ingredient to helping take the JA Finance Park Virtual program system-wide in the Archdiocese of Baltimore. The program is now taught to all seventh grade math students throughout the Archdiocesan school system. Students' reactions have been positive. A recent graduate of St. Stephens School in Kingsville who took part in JA Finance Park Virtual even told her former teacher, “Keep doing Finance Park because it has already helped me in high school!”

The Knott Foundation's focus on education encompasses giving to Catholic schools, special needs schools, private colleges and universities, out-of-school-time programs, and other education-related activities.



HEALTH CARE

The Red Devils

What does it mean to be a Red Devil?

The name itself references the chemotherapy drug Adriamycin, commonly used in the treatment of a wide range of cancers including breast cancer. It is also the title of Katherine Russell Rich's spirited memoir about her own breast cancer treatment entitled [The Red Devil: To Hell with Cancer and Back](#) (Metheun, 2002). The book inspired the mother of breast cancer patient Jessica Cowling, and she later adopted the team name The Red Devils for the Susan G. Komen Race. When Jessica and her friend Ginny Schardt died of breast cancer, the organization The Red Devils was founded in their honor.

Ten years later, The Red Devils serves nearly 700 breast cancer patients and their families each year. The organization's geographic reach has grown from one hospital in Baltimore to 39 hospitals across Maryland. Notably, they are able to serve all of these patients with only two staff members and a network of hospital coordinators, namely nurses and social workers. "It's a brilliant business model that was created by our founders and has served us well," shares Janice Wilson, the Executive Director, explaining that the organization dramatically limits its overhead by vesting certain decisions with professional staff at the hospital level.

The Knott Foundation has awarded The Red Devils \$60,000 in operating support over the past five years, ultimately helping the organization grow from serving 500 patients in 2008 to nearly 700 in 2011. On average, The Red Devils provides each patient or family with \$300 for critical needs, including transportation to treatment, family support, and medical costs.

The support provided by The Red Devils enhances patients' quality of life and promotes normalcy in a most traumatic time. "The Red Devils made it possible for survival. The pressure that I carried impacted my healing process. Your kindness and thoughtfulness gave me peace to heal," commented one patient. Another simply stated, "I could not afford to go to my treatments without your support. You were a godsend for me as I didn't know what I was going to do."

So what does it mean to be a Red Devil? It means a life-giving helping hand to someone in need. It means hope above despair. "Until there's a cure for breast cancer, we need to be here," Wilson concludes. "That's why, for now, it's great to be a Devil."

In health care, the Knott Foundation concentrates on programs that provide curative, preventative, rehabilitative, and palliative care, as well as patient support services.



HUMAN SERVICES

Second Chance

52,000 labor hours created. \$3.2 million consumer dollars saved. 11 million pounds of landfill waste diverted. And that was just in one year!

Founded in 2001, Second Chance provides people, materials, and the environment with “a second chance.” The organization simply deconstructs buildings and homes, salvages usable materials, and then sells them to the public. The sales proceeds funnel into their workforce development program, which then provides job training and placement to those with employment obstacles in the Baltimore region.

“It was hard to fully appreciate the social benefit of what we do until the first four guys graduated from our job training program,” Mark Foster, Founder and Executive Director, says with emotion in his eyes. “Then I saw what it actually meant—to watch four guys completely turn their lives around.”

Yet the turn is not an easy one. Job trainees must pass a rigorous two-week evaluation and qualifying period, which includes life and safety skills development, and then embark on 16 weeks of on-the-job technical instruction in how to use numerous types of power tools, hand tools, and equipment. Upon completion of the program, qualified trainees receive specialized training in lead abatement and other hazardous materials removal and handling, as well as forklift operation. And those motivated to advance further can go on to receive certificates in carpentry, restoration, manufacturing, plumbing, electrical and masonry. In the end, trainees are placed in green jobs at companies such as Hirsch Electric and Waste Management System.

With funding from the Knott Foundation, Second Chance expanded the capacity of its job training program from 10 new trainees in 2010 to 30 in 2011, and they grew to reach more than 50 in 2012. Even more

impressive are the outcomes from the program: during the grant period, for example, Second Chance boasted a 100% graduation rate. Every graduate was placed into a green job, and 97% remained in their jobs after one year. Moreover, ten workforce trainees were then promoted, resulting in a combined annual pay increase of \$52,000.

Second Chance’s new headquarters located at 1700 Ridgely Street in South Baltimore has brought the organization’s retail operations, job training program, and central office all under one roof—a meaningful achievement for the growing nonprofit and social enterprise.

“The general public comes to Second Chance to shop in the warehouse for home furnishings, architectural salvage materials, building materials, and kitchen and bath elements,” shares Foster. “What they may not know is the whole story of our organization, what we accomplish for the universal good of us all.”

The Knott Foundation’s focus on human services touches numerous areas, from helping to meet people’s basic needs, to housing and homelessness, to workforce development, to family and children’s services.

CASH FLOW LOANS

Friends of Patterson Park

You might see them in chest waders scooping debris out of the lake with pool skimmers. Or mulching trees. Or inspecting playground equipment for safety. In all cases, the Friends of Patterson Park will be helping to steward the resource that is near and dear to their hearts: Patterson Park.

The first known resident of what is now Patterson Park arrived in 1669. A lot has happened in the last 340 years, and now Friends of Patterson Park, which was founded back in 1998, is working with more than 600 volunteers to preserve and enhance all that the Park offers.

Kathy Harget, who joined Friends of Patterson Park as the new Executive Director in the summer of 2011, sees how the mission extends beyond the physical space: "The green spaces in our city are a perfect connector to bring neighborhoods together. Hosting the right programs can

attract a whole lot of diverse people who otherwise may not have met each other."

The Knott Foundation stepped in to help Friends of Patterson Park in late 2011 through a Program-Related Investment (PRI). PRIs, also referred to as cash flow loans, provide nonprofits with access to capital at lower interest rates and at shorter turnaround times than might otherwise be available. For the Friends of Patterson Park, some of their fundraising activities, including a major event for corporate donors, had been delayed with the leadership transition, so they needed a boost to carry them through the fall.

The result? Friends of Patterson Park received a \$25,000 loan from the Knott Foundation. With sufficient financial footing, they were able to either meet or exceed all of their fundraising goals, including hosting

a corporate fundraiser that brought in \$10,000 more than budgeted; receiving increased annual grants from two foundations; exceeding individual giving goals with the help of the State's tax credit program; and meeting a \$15,000 matching grant from the Meyerhoff Foundation in just 45 days. The year finished with a cash surplus, and the Friends paid the loan back to the Knott Foundation early.

"This is a new chapter in the history of the Friends of Patterson Park," states Harget. Indeed it is, and the Knott Foundation is honored to be part of it. **KF**

Since 2003, the Knott Foundation has provided over \$700,000 in small loans ranging from \$10,000-\$30,000 each to more than 30 nonprofits. To date, all loans have been or are being repaid.

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