

Form 990-PF

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

OMB No 1545-0047

2019

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

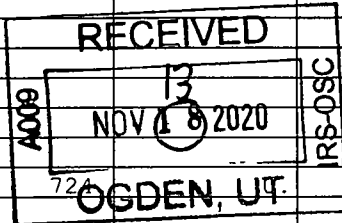
For calendar year 2019 or tax year beginning 2019, and ending 20

Name of foundation: THE POTOMAC FOUNDATION. A Employer identification number: 54-1468870. B Telephone number: (703) 506-1790. G Check all that apply: Initial return, Final return, Address change, Name change. H Check type of organization: Section 501(c)(3) exempt private foundation. J Accounting method: Cash.

Table with 4 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12) and Operating and Administrative Expenses (13-26). Total revenue: 95,673. Total operating and administrative expenses: 169,569. Net investment income: 0. Adjusted net income: 0.

3/3

SCANNED JAN 03 2022



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing . . . . .	12,647.	21,485.	21,485.
	2	Savings and temporary cash investments . . . . .			
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable . . . . .			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . . . . .			
	7	Other notes and loans receivable (attach schedule) ▶			
		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 (attach schedule)			
	b	Investments—corporate stock (attach schedule) . . . . .			
	c	Investments—corporate bonds (attach schedule) . . . . .			
	11	Investments—land, buildings, and equipment basis ▶			
	Less: accumulated depreciation (attach schedule) ▶	0.			
12	Investments—mortgage loans . . . . .				
13	Investments—other (attach schedule) . . . . .				
14	Land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation (attach schedule) ▶				
15	Other assets (describe ▶ L-15 Stmt )	4,626.	0.	0.	
16	<b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I)	17,273.	21,485.	21,485.	
Liabilities	17	Accounts payable and accrued expenses . . . . .		18,108.	
	18	Grants payable . . . . .			
	19	Deferred revenue . . . . .			
	20	Loans from officers, directors, trustees, and other disqualified persons	300,000.	360,000.	
	21	Mortgages and other notes payable (attach schedule) . . . . .			
	22	Other liabilities (describe ▶ )			
23	<b>Total liabilities</b> (add lines 17 through 22)	300,000.	378,108.		
Net Assets or Fund Balances	<b>Foundations that follow FASB ASC 958, check here ▶ <input type="checkbox"/></b> <b>and complete lines 24, 25, 29, and 30.</b>				
	24	Net assets without donor restrictions . . . . .			
	25	Net assets with donor restrictions . . . . .			
	<b>Foundations that do not follow FASB ASC 958, check here ▶ <input checked="" type="checkbox"/></b> <b>and complete lines 26 through 30.</b>				
	26	Capital stock, trust principal, or current funds . . . . .			
	27	Paid-in or capital surplus, or land, bldg, and equipment fund			
	28	Retained earnings, accumulated income, endowment, or other funds	-282,727.	-356,623.	
29	<b>Total net assets or fund balances</b> (see instructions)	-282,727.	-356,623.		
30	<b>Total liabilities and net assets/fund balances</b> (see instructions)	17,273.	21,485.		

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 -282,727.
2	Enter amount from Part I, line 27a	2 -73,896.
3	Other increases not included in line 2 (itemize) ▶	3
4	Add lines 1, 2, and 3	4 -356,623.
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 -356,623.

**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)
<b>1a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
(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))	
<b>a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
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		
<b>a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>2</b> 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 }			<b>2</b>
<b>3</b> 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	{ If gain, also enter in Part I, line 8, column (c). See instructions. If (loss), enter -0- in Part I, line 8 }			<b>3</b>

**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	473,168.	0.	0.000000
2017	180,264.	124,986.	1.442274
2016	609,683.	472,825.	1.289447
2015	973,555.	1,110,018.	0.877062
2014	813,545.	1,842,522.	0.441539

<b>2</b> Total of line 1, column (d)	<b>2</b>	4.050322
<b>3</b> 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	<b>3</b>	0.810064
<b>4</b> Enter the net value of noncharitable-use assets for 2019 from Part X, line 5	<b>4</b>	0.
<b>5</b> Multiply line 4 by line 3	<b>5</b>	0.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	0.
<b>7</b> Add lines 5 and 6	<b>7</b>	0.
<b>8</b> Enter qualifying distributions from Part XII, line 4 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	<b>8</b>	140,173.

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

<b>1a</b>	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: <u>12/31/1996</u> (attach copy of letter if necessary—see instructions)		
<b>b</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	<b>1</b>	0.
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations, enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)	<b>2</b>	0.
<b>3</b>	Add lines 1 and 2	<b>3</b>	0.
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)	<b>4</b>	0.
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	0.
<b>6</b>	Credits/Payments.		
<b>a</b>	2019 estimated tax payments and 2018 overpayment credited to 2019	<b>6a</b>	
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	0.
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments Add lines 6a through 6d	<b>7</b>	0.
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>	0.
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>	0.
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2020 estimated tax</b> <b>Refunded</b>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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>1b</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 <b>1a</b> or <b>1b</b> , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
<b>1c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. <b>(1)</b> On the foundation ► \$ _____ <b>(2)</b> On foundation managers ► \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
<b>2</b> 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
<b>3</b> 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
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>4b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		X
<b>5</b> 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
<b>6</b> 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	
<b>7</b> 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	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered See instructions. ►		
<b>8b</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	
<b>9</b> 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	X	
<b>10</b> 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 ▶ <u>www.thepotomacfoundation.ORG</u>	X	
14	The books are in care of ▶ <u>THE FOUNDATION</u> Telephone no ▶ <u>(703) 506-1790</u> Located at ▶ <u>106 N. LEE ST, STE 200 ALEXANDRIA VA</u> ZIP+4 ▶ <u>22314</u>		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>15</u>		
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 ▶		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 Organizations relying on a current notice regarding disaster assistance, check here ▶ <input type="checkbox"/>	1b	X
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?	1c	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 2019, did the foundation have any undistributed income (Part XIII, lines 6d and 6e) for tax year(s) beginning before 2019? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
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.)	2b	X
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <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)	3b	X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	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 2019?	4b	X

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

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

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

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

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

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

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

**b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions  Yes  No

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

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

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

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

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

If "Yes" to 6b, file Form 8870

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

**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No

**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?  Yes  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
SEE STATEMENT ATTACHED NO COMPENSATION VIENNA VA 22182	AS NEEDED 8.00	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)*

<b>3 Five highest-paid independent contractors for professional services. See instructions. If none, enter "NONE."</b>		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

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

**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
<b>1</b>	THE FOUNDATION HOSTED A SERIES OF MEETINGS AND SEMINARS TO DISCUSS DEFENSE ISSUES AND FOREIGN POLICY TOPICS WITH VARIOUS GUESTS AND EXPERTS.	92,895.
<b>2</b>		
<b>3</b>		
<b>4</b>		

**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
<b>1</b>		
<b>2</b>		
<b>3</b>	All other program-related investments See instructions	
<b>Total.</b> Add lines 1 through 3		

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

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

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	
<b>2a</b>	Tax on investment income for 2019 from Part VI, line 5	<b>2a</b>	
<b>b</b>	Income tax for 2019 (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	<b>1a</b>	140,173.
<b>b</b>	Program-related investments—total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the.		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	140,173.
<b>5</b>	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	<b>5</b>	0.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	140,173.

**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				
2 Undistributed income, if any, as of the end of 2019				
a Enter amount for 2018 only				
b Total for prior years 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2019				
a From 2014 813,545.				
b From 2015 973,555.				
c From 2016 609,683.				
d From 2017 180,264.				
e From 2018 473,168.				
f <b>Total</b> of lines 3a through e 3,050,215				
4 Qualifying distributions for 2019 from Part XII, line 4 ▶ \$ 140,173.				
a Applied to 2018, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2019 distributable amount				
e Remaining amount distributed out of corpus 140,173.				
5 Excess distributions carryover applied to 2019 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 3,190,388.				
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				
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(y)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2014 not applied on line 5 or line 7 (see instructions) 813,545.				
9 Excess distributions carryover to 2020. Subtract lines 7 and 8 from line 6a 2,376,843.				
10 Analysis of line 9:				
a Excess from 2015 973,555.				
b Excess from 2016 609,683.				
c Excess from 2017 180,264.				
d Excess from 2018 473,168.				
e Excess from 2019 140,173.				

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

- 1a** 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 ▶ 12/31/1996
- b** Check box to indicate whether the foundation is a private operating foundation described in section  4942(j)(3) or  4942(j)(5)

	Tax year				(e) Total
	(a) 2019	(b) 2018	(c) 2017	(d) 2016	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	0.	0.	0.	23,641.	23,641.
<b>b</b> 85% of line 2a	0.	0.	0.	20,095.	20,095.
<b>c</b> Qualifying distributions from Part XII, line 4, for each year listed	140,173.	473,168.	180,264.	609,683.	1,403,288.
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	140,173.	473,168.	180,264.	609,683.	1,403,288.
<b>3</b> Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b> "Assets" alternative test—enter					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6, for each year listed					
<b>c</b> "Support" alternative test—enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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 Supplementary Information Statement
- b** The form in which applications should be submitted and information and materials they should include:
- c** Any submission deadlines
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors.

**Part XV** Supplementary Information *(continued)*

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

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
<b>a</b> Paid during the year				
<b>Total</b>				<b>3a</b>
<b>b</b> Approved for future payment NONE				
<b>Total</b>				<b>3b</b> 0.



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

- |   |   | Yes   | No |
|---|---|-------|----|
| <b>1</b>  | 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? |       |    |
| <b>a</b> Transfers from the reporting foundation to a noncharitable exempt organization of:   |   |       |    |
|   | (1) Cash  | 1a(1) | x  |
|   | (2) Other assets  | 1a(2) | x  |
| <b>b</b> Other transactions:  |   |       |    |
|   | (1) Sales of assets to a noncharitable exempt organization  | 1b(1) | x  |
|   | (2) Purchases of assets from a noncharitable exempt organization  | 1b(2) | x  |
|   | (3) Rental of facilities, equipment, or other assets  | 1b(3) | x  |
|   | (4) Reimbursement arrangements  | 1b(4) | x  |
|   | (5) Loans or loan guarantees  | 1b(5) | x  |
|   | (6) Performance of services or membership or fundraising solicitations  | 1b(6) | x  |
| <b>c</b> Sharing of facilities, equipment, mailing lists, other assets, or paid employees   |   |       |    |
| <b>1c</b>   |   |       | x  |
| <b>d</b> 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

- 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

**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]* 11/11/20 EXECUTIVE DIRECTOR

Signature of officer or trustee Date Title

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

**Paid Preparer Use Only**

Print/Type preparer's name <b>JOHN W. HOLSINGER</b>	Preparer's signature <i>[Signature]</i>	Date <b>11/11/2020</b>	Check <input type="checkbox"/> if self-employed PTIN <b>970-29-0000</b>
Firm's name <b>JOHN W. HOLSINGER, P.C.</b>	Firm's EIN <b>54-1433972</b>		Phone no <b>(703) 679-7590</b>
Firm's address <b>901 N. Washington Street Suite 400</b>			

**Form 990-PF: Return of Private Foundation**

**Part XV, Line 2: Supplementary Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc. Continuation Statement**

Name and Address Information	Form Information	Submission Information	Restrictions
N/A	N/A	N/A	N/A

**Additional information from your Form 990-PF: Return of Private Foundation****Form 990-PF: Return of Private Foundation****Other Expenses****Continuation Statement**

Description	Revenue and Expense per Book	Net Investment Income	Adjusted Net Income	Disbursement for charitable purpose
CUSTODIAL FEES	650.	650.	0.	0.
COMPUTER SOFTWARE	7,301.	730.	0.	6,571.
DUES & SUBSCRIPTIONS	0.	0.	0.	0.
OFFICE EXPENSES	22,401.	12,321.	0.	10,080.
TELEPHONE & INTERNET	12,281.	6,141.	0.	6,140.
OFFICE MGMT.	5,240.	524.	0.	4,716.
INSURANCE	0.	0.	0.	0.
PROGRAM G&A EXPENSE	92,895.	0.	0.	92,895.
LICENSES	55.	55.	0.	0.
MEALS	3,335.	1,668.	0.	1,667.
MISCELLANEOUS	6,184.	6,184.	0.	0.
TAX PREPARATION	5,500.	2,750.	0.	5,750.
WEBSITE	0.	0.	0.	0.
<b>Total</b>	155,842.	31,023.	0.	127,819.

Name  
THE POTOMAC FOUNDATION

Employer Identification No  
54-1468870

Line 16a - Legal Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
<b>Total to Form 990-PF, Part I, Line 16a</b>					

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
JOHN W. HOLSINGER P.C.	ACCOUNTING	7,238.	724.	0.	6,514.
<b>Total to Form 990-PF, Part I, Line 16b</b>		7,238.	724.	0.	6,514.

Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
<b>Total to Form 990-PF, Part I, Line 16c</b>					



Name  
THE POTOMAC FOUNDATION

Employer Identification No  
54-1468870

Line 15 - Other Assets:	Beginning Year Book Value	End of Year	
		Book Value	Fair Market Value
DEPOSITS	4,626.	0.	0.
<b>Totals to Form 990-PF, Part II, line 15 . . . . .</b>	<b>4,626.</b>	<b>0.</b>	<b>0.</b>

Line 22 - Other Liabilities:	Beginning Year Book Value	Ending Year Book Value
<b>Totals to Form 990-PF, Part II, line 22 . . . . .</b>		

POTOMAC FOUNDATION  
 EIN 54-1468870  
 TAX RETURN FORM 990-PF FOR DECEMBER 31, 2019  
 PART I, OPERATING AND ADMINISTRATIVE EXPENSES  
 ALLOCATION OF OPERATING EXPENSES

	REVENUE AND EXPENSE	NET INVESTMENT INCOME	DISB FOR CHARITABLE PURPOSES
OTHER EMPLOYEE SALARIES AND WAGES	\$ -	\$ -	\$ -
PENSION PLANS, EMPLOYEE BENEFITS	0	0	0
LEGAL FEES	0	0	0
ACCOUNTING FEES	7,238	724	6,514
OTHER PROFESSIONAL FEES	0	0	0
GIFTS	0	0	0
INTEREST	0	0	0
TAXES & LICENSES	55	55	0
DEPRECIATION	0	0	0
OCCUPANCY	6,489	649	5,840
CASUAL LABOR	0	0	0
TRAVEL, CONFERENCES AND MEETINGS	0	0	0
PRINTING & PUBLICATIONS	0	0	0
CONTRIBUTIONS	0	0	0
DUES & SUBSCRIPTIONS	0	0	0
LIBRARY	0	0	0
LIASON	0	0	0
MISCELLANEOUS	6,184	6,184	0
TAX PREPARATION	5,500	2,750	2,750
CUSTODIAL FEES	650	650	0
COMPUTER ACCESSORIES	0	0	0
COMPUTER SOFTWARE	7,301	730	6,571
OFFICE MANAGER	5,240	524	4,716
OFFICE EXPENSES	22,401	12,321	10,080
OFFICE SUPPLIES	0	0	0
INSURANCE	0	0	0
PROGRAM G& A EXPENSES	92,895	0	92,895
MARKETING & PROPOSALS	0	0	0
MEALS & ENTERTAINMENT	3,335	1,668	1,667
EQUIPMENT RENTAL	0	0	0
TELEPHONE & INTERNET	12,281	6,141	6,140
WEBSITE	0	0	0
	<u>\$ 169,569</u>	<u>\$ 32,396</u>	<u>\$ 137,173</u>

THE POTOMAC FOUNDATION  
E.I.N. 54-1468870  
SCHEDULE OF INFORMATION FOR 2019  
FORM 990-PF

PART I AND PART IX-A STATEMENT ON ALLOCATION OF OPERATING AND  
ADMINISTRATIVE EXPENSES:

OPERATING AND ADMINISTRATIVE EXPENSES IN PART I AND PART IX-A WERE ALLOCATED BETWEEN DISBURSEMENTS FOR CHARITABLE PURPOSES AND INVESTMENT ACTIVITIES, ON THE BASIS OF ACTUAL TIME SPENT ON INVESTMENTS AS A PERCENTAGE OF ACTUAL TIME SPENT ON ADMINISTRATION; THE BALANCE OF EACH EXPENSE WAS CHARGED TO CHARITABLE PURPOSES. THE EXCEPTIONS ARE INVESTMENT ADVISOR EXPENSES WHICH WERE INCLUDED ONLY IN COLUMN (B) PAGE 1 PART I. CERTAIN OPERATING AND ADMINISTRATIVE EXPENSES WERE IDENTIFIED AS SPECIFIC TO INVESTMENT OR CHARITABLE PURPOSES, THESE EXPENSES WERE CHARGED DIRECTLY TO THE ACTIVITY THEY RELATED TO. EXAMPLES OF THESE ARE ACCOUNTING FEES; OTHER PROFESSIONAL FEES; TRAVEL, CONFERENCES, AND MEETINGS; PRINTING AND POSTAGE AND OFFICE EXPENSES. THE BALANCE IN THESE CATEGORIES WERE ALLOCATED AS MENTIONED IN THE FIRST SENTENCE. OPERATING AND ADMINISTRATIVE EXPENSES REPORTED IN PART IX-A, AND THE THREE OTHER DIRECT CHARITABLE ACTIVITIES NOT REPORTED IN PART IX-A, WERE ALLOCATED BASED ON THE RATIO OF DIRECT TIME SPENT ON PROJECT TO TOTAL TIME SPENT EXCLUDING ADMINISTRATIVE AND INVESTMENT TIME.

THE ABOVE ALLOCATION OF EXPENSES, BETWEEN INVESTMENT AND CHARITABLE PURPOSES, WAS ESTABLISHED BY THE FOUNDATION AND AGREED TO BY THE INTERNAL REVENUE SERVICE, DURING THE INTERNAL REVENUE SERVICE AUDIT OF THE POTOMAC FOUNDATION IN MAY AND JUNE OF 1991.

THE POTOMAC FOUNDATION  
E.I.N. 54-1468870  
SCHEDULE OF INFORMATION FOR 2019  
FORM 990-PF

PART VII LINE 15 GRANT RECEIVED

2012

GRANTS RECEIVED FOR \$96,250 FROM THE SMITH RICHARDSON FOUNDATION, 60 JESUP ROAD, WESTPORT, CT 06880.

2003

GRANTS RECEIVED FOR \$75,000 FROM THE SMITH RICHARDSON FOUNDATION, 60 JESUP ROAD, WESTPORT, CT 06880.

1994

GRANTS FROM SOROS/OPEN SOCIETY FUND, IN THE AMOUNT OF \$100,000 AND \$104,000 WERE MADE ON FEBRUARY 2, 1994 AND JUNE 21, 1994. THE ADDRESS FOR THE SOROS/OPEN SOCIETY FUND IS 888 SEVENTH AVENUE, NEW YORK, NY 10106.

1993

GRANTS FROM SOROS/OPEN SOCIETY FUND, IN THE AMOUNT OF \$80,000 AND \$20,000 WERE MADE ON SEPTEMBER 28, 1993 AND NOVEMBER 30, 1993, THUS BECOMING A SUBSTANTIAL CONTRIBUTOR. THE ADDRESS FOR THE SOROS/OPEN SOCIETY FUND IS 888 SEVENTH AVENUE, NEW YORK, NY 10106.

1992

GRANT FROM SMITH RICHARDSON FOUNDATION, INC., IN THE AMOUNT OF \$71,500.00 WAS MADE ON DECEMBER 14, 1992. THE ADDRESS FOR SMITH RICHARDSON FOUNDATION, INC., IS 230 NORTH ELM STREET, SUITE 1000, P.O. BOX 29467, GREENSBORO, NC 27429.

1991

GRANT FROM SMITH RICHARDSON FOUNDATION, INC., IN THE AMOUNT OF \$71,500.00 WAS MADE ON NOVEMBER 7, 1991, THUS BECOMING A SUBSTANTIAL CONTRIBUTOR. THE ADDRESS FOR SMITH RICHARDSON FOUNDATION, INC., IS 230 NORTH ELM STREET, SUITE 1000, P.O. BOX 29467, GREENSBORO, NC 27429.

1989

CONTRIBUTION FROM BOEING COMPANY, IN THE AMOUNT OF \$25,000.00 WAS MADE ON FEBRUARY 15, 1989 TO DEFRAY THE COST ON DEFENSE ECONOMICS IN THE 1990'S, THUS BECOMING A SUBSTANTIAL CONTRIBUTOR. THE ADDRESS FOR BOEING COMPANY IS POST OFFICE BOX 3999, SEATTLE, WASHINGTON 98124-2499.

THE POTOMAC FOUNDATION  
E.I.N. 54-1468870  
SCHEDULE OF INFORMATION FOR 2019  
FORM 990-PF

PART VIII LINE 1 OFFICER AND DIRECTORS

COMPENSATION/	TITLE HR WORK	EXPENSE ACCOUNT	EMPLOYEE BENEFIT
MR. F.N. HOFER 8022 ROCKINGHAM RD. WARRENTON, VA 20186	SEC./TREAS 2.7 HRS/WEEK	-0-	-0-
DR. JOSEPH BRADDOCK 1101 ST. STEPHENS ROAD ALEXANDRIA, VA 22304	DIRECTOR 6.2 HRS/WEEK	-0-	-0-
DANIEL J. MCDONALD BALTIMORE, MD 21230	DIRECTOR 1.0 HRS/WEEK	-0-	-0-
PATRICK HOFER ARLINGTON, VA	DIRECTOR 1.0 HRS/WEEK	-0-	-0-
J. ANTHONY BRADDOCK NEW YORK, NY	DIRECTOR 1.0 HRS/WEEK	-0-	-0-

THE POTOMAC FOUNDATION  
E.I.N. 54-1468870  
SCHEDULE OF INFORMATION FOR 2019  
FORM 990-PF

PUBLIC NOTICE

THE ANNUAL RETURN OF THE POTOMAC FOUNDATION IS AVAILABLE AT THE ADDRESS NOTED FOR INSPECTION DURING NORMAL BUSINESS HOUR, BY ANY CITIZEN WHO SO REQUESTS WITHIN 180 DAYS AFTER PUBLICATION OF THIS NOTICE OF ITS AVAILABILITY.