

Form **990-PF****Return of Private Foundation**
or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No. 1545-0052

2018Department 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 2018 or tax year beginning , 2018, and ending , 20

Name of foundation MARGARET PAXTON MEMORIAL FOR CONVALESCENT CHILDREN C/O W.B. HANES, TT		A Employer identification number 54-0600400
Number and street (or P.O. box number if mail is not delivered to street address) 4 CORNWALL ST., NE		B Telephone number (see instructions) 703-777-5635
City or town, state or province, country, and ZIP or foreign postal code LEESBURG, VA 20176		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 8,726,060.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	23,311.			
	2 Check ☒ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	170,740.	170,740.	170,740.	STMT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	2,434.			
	b Gross sales price for all assets on line 6a	582,959.			
	7 Capital gain net income (from Part IV, line 2)		2,434.		
	8 Net short-term capital gain			0.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)	17,188.	0.	17,188.	STMT 2	
12 Total. Add lines 1 through 11	213,673.	173,174.	187,928.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0.	0.	0	0.
	14 Other employee salaries and wages	155,076.	0.	0.	141,119.
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 3	6,405.	6,405.	0.	0.
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 4	11,245.	0.	0.	10,233.
	19 Depreciation (attach schedule) and depletion	120,913.	0.	0.	
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) STMT 5	76,106.	27,094.	27,094.	46,584.
	24 Total operating and administrative expenses. Add lines 13 through 23	369,745.	33,499.	27,094.	197,936.
	25 Contributions, gifts, grants paid	624,554.			624,554.
26 Total expenses and disbursements. Add lines 24 and 25	994,299.	33,499.	27,094.	822,490.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(780,626.)				
b Net investment income (if negative, enter -0-)		139,675.			
c Adjusted net income (if negative, enter -0-)			160,834.		

For Paperwork Reduction Act Notice, see Instructions.

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MARGARET PAXTON MEMORIAL FOR
CONVALESCENT CHILDREN C/O W.B. HANES, TT

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)			Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value			
Assets	1	Cash—non-interest-bearing	60,054.	167,498.	167,498.		
	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) ▶						
12	Investments—mortgage loans						
13	Investments—other (attach schedule) \$TMT 6	5,053,493.	4,789,590.	4,933,335.			
14	Land, buildings, and equipment: basis ▶ 4,864,952.						
	Less: accumulated depreciation (attach schedule) ▶ \$TMT 7	1,239,725.	3,625,227.	3,625,227.			
15	Other assets (describe ▶)						
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item f)	8,794,710.	8,582,315.	8,726,060.			
Liabilities	17	Accounts payable and accrued expenses					
	18	Grants payable					
	19	Deferred revenue					
	20	Loans from officers, directors, trustees, and other disqualified persons					
	21	Mortgages and other notes payable (attach schedule)					
	22	Other liabilities (describe ▶ PAYROLL TAX LIABILITIES)	0.	1,864.			
	23	Total liabilities (add lines 17 through 22)	0.	1,864.			
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26, and lines 30 and 31.					
	24	Unrestricted	8,794,710.	8,580,451.			
	25	Temporarily restricted					
	26	Permanently restricted					
		Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds					
	28	Paid-in or capital surplus, or land, bldg., and equipment fund					
	29	Retained earnings, accumulated income, endowment, or other funds					
	30	Total net assets or fund balances (see instructions)	8,794,710.	8,580,451.			
	31	Total liabilities and net assets/fund balances (see instructions)	8,794,710.	8,582,315.			

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	8,794,710.
2	Enter amount from Part I, line 27a	2	(780,626.)
3	Other increases not included in line 2 (itemize) ▶ DONATED RENT ADJUSTMENT	3	566,367.
4	Add lines 1, 2, and 3	4	8,580,451.
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	8,580,451.

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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 PNC SUMMARIZED	P		12/12/2018
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
a 582,959.		580,525.	2,434.
b			
c			
d			
e			

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

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

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	2,434.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). See instructions. If (loss), enter -0- in Part I, line 8	3	0.

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))
2017			
2016			
2015			
2014			
2013			

2 Total of line 1, column (d)	2	
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	
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 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.	8	

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1		2,794.
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		2,794.
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		2,794.
6	Credits/Payments:			
a	2018 estimated tax payments and 2017 overpayment credited to 2018	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		2,794.
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 2019 estimated tax ☐ Refunded ☐	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?		✓
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.		✓
c Did the foundation file Form 1120-POL for this year?		✓
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ 0. (2) On foundation managers. ▶ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		✓
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.		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
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> .		✓
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?		✓
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV		✓
8a Enter the states to which the foundation reports or with which it is registered. See instructions. ▶ NONE		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? If "No," attach explanation	✓	
9 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 2018 or the tax year beginning in 2018? See the instructions for Part XIV. If "Yes," complete Part XIV		✓
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		✓

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	11	✓
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	12	✓
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	✓
14 The books are in care of ► THE FOUNDATION Telephone no. ► 703-777-5635		
Located at ► 4 CORNWALL ST., NE, LEESBURG, VA ZIP+4 ► 20176		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—check here ☐ and enter the amount of tax-exempt interest received or accrued during the year 15 N/A		
16 At any time during calendar year 2018, 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?	16	✓
See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►		

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

	Yes	No
File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		
1a During the year, did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fall 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	1b	
Organizations relying on a current notice regarding disaster assistance, check here ☐		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2018?	1c	✓
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 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018? ☐ Yes ☒ 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.) N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 , 20 , 20 , 20		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b If "Yes," did it have excess business holdings in 2018 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 2018.) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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 2018?	4b	✓

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))?	☐ Yes ☒ No		
(2)	Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions	☐ Yes ☒ No		
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions	N/A	5b	
	Organizations relying on a current notice regarding disaster assistance, check here	☐		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A ☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	☒
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b	
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
WILLIAM B HANES 4 CORNWALL STREET, N.E., LEESBURG, VA 20176	TRUSTEE 3.0	0.	0.	0.
BASIL DELASHMUTT 4 CORNWALL STREET, N.E., LEESBURG, VA 20176	TRUSTEE 1.0	0.	0.	0.
MELINDA DICKERSON HETZEL 4 CORNWALL STREET, N.E., LEESBURG, VA 20176	TRUSTEE 3.0	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
JENNIFER LASSITER 35340 SCOTLAND HEIGHTS RD., ROUND HILL, VA 20141	PRESIDENT 40	150,000.	0.	0.

Total number of other employees paid over \$50,000 1

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services. See instructions. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		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
1 SEE STATEMENT 8	596,676.
2 SEE STATEMENT 9	93,899.
3 SEE STATEMENT 10	68,703.
4 SEE STATEMENT 11	63,212.

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.

Part III Summary of Program-Related Investments (See instructions)		Amount
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.		
1	N/A	
2		
All other program-related investments. See instructions.		
3		
Total. Add lines 1 through 3		

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	5,449,678.
b	Average of monthly cash balances	1b	56,790.
c	Fair market value of all other assets (see instructions)	1c	0.
d	Total (add lines 1a, b, and c)	1d	5,506,468.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	5,506,468.
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	82,597.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,423,871.
6	Minimum investment return. Enter 5% of line 5	6	271,194.

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	271,194.
2a	Tax on investment income for 2018 from Part VI, line 5	2a	2,794.
b	Income tax for 2018. (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	2,794.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	268,400.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	268,400.
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	268,400.

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	822,490.
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	822,490.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	822,490.

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 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				268,400.
2 Undistributed income, if any, as of the end of 2018:				
a Enter amount for 2017 only			0.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2018:				
a From 2013				
b From 2014	188,170.			
c From 2015				
d From 2016	408,604.			
e From 2017	449,162.			
f Total of lines 3a through e	1,045,936.			
4 Qualifying distributions for 2018 from Part XII, line 4: ► \$ 822,490.				
a Applied to 2017, but not more than line 2a			0.	
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 2018 distributable amount				268,400.
e Remaining amount distributed out of corpus	554,090.			
5 Excess distributions carryover applied to 2018 (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	1,600,026			
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 2017. Subtract line 4a from line 2a. Taxable amount—see instructions			0.	
f Undistributed income for 2018. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2019				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 2013 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	1,600,026.			
10 Analysis of line 9:				
a Excess from 2014	188,170.			
b Excess from 2015				
c Excess from 2016	408,604.			
d Excess from 2017	449,162.			
e Excess from 2018	554,090.			

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 2018, 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)

	Tax year	Prior 3 years			(e) Total
	(a) 2018	(b) 2017	(c) 2016	(d) 2015	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

a The name, address, and telephone number or email address of the person to whom applications should be addressed:

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
a Paid during the year				
ARC OF LOUDOUN 601 CATOCTIN CIRCLE, NE, LEESBURG, VA 20176	PROPERTY TENANT	NC	UNRESTRICTED CONTRIBUTION FOR NONPROFIT OPERATIONS	566,367.
MOBILE HOPE 741 MILLER DR, SE, LEESBURG, VA 20175	NONE		GENERAL CHARITABLE SUPPORT	21,900.
INMED PARTNERSHIPS FOR CHILDREN 20110 ASHBROOK PL, ASHBURN, VA 20147	NONE		GENERAL CHARITABLE SUPPORT	15,400.
A PLACE TO BE 8 N JAY ST., MIDDLEBURG, VA 20117	NONE		GENERAL CHARITABLE SUPPORT	10,000.
YMCA LOUDOUN 26B FAIRFAX ST., SE, LEESBURG, 20175	NONE		GENERAL CHARITABLE SUPPORT	4,487.
RYAN BARTEL FOUNDATION P.O. BOX 184, WATERFORD, VA 20197	NONE		GENERAL CHARITABLE SUPPORT	3,000.
BACKPACK BUDDIES FOUNDATION OF LOUDOUN PO BOX 582, LEESBURG, VA 20178	NONE		GENERAL CHARITABLE SUPPORT	2,400.
LEESBURG POLICE CITIZENS SUPPORT TEAM 65 PLAZA ST., NE, LEESBURG, VA 20176	NONE		GENERAL CHARITABLE SUPPORT	1,000.
Total			3a	624,564.
b Approved for future payment				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions.)
1	Program service revenue:					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments					
4	Dividends and interest from securities			14	170,741.	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income			18	2,434.	
8	Gain or (loss) from sales of assets other than inventory					
9	Net income or (loss) from special events . . .					
10	Gross profit or (loss) from sales of inventory . .					
11	Other revenue: a <u>WATER SALES</u>	221000			17,188.	
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal. Add columns (b), (d), and (e)					
13	Total. Add line 12, columns (b), (d), and (e)				13	190,363.

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

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

[illegible]

Form 990-PF (2018)

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT 1
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<u>SOURCE</u>	<u>GROSS AMOUNT</u>	<u>CAPITAL GAINS DIVIDENDS</u>	<u>(A) REVENUE PER BOOKS</u>	<u>(B) NET INVEST- MENT INCOME</u>	<u>(C) ADJUSTED NET INCOME</u>
PNC	170,740.	0.	170,740.	170,740.	170,740.
TO PART I, LINE 4	170,740.	0.	170,740.	170,740.	170,740.

FORM 990-PF	OTHER INCOME	STATEMENT 2
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<u>DESCRIPTION</u>	<u>(A) REVENUE PER BOOKS</u>	<u>(B) NET INVEST- MENT INCOME</u>	<u>(C) ADJUSTED NET INCOME</u>
WATER SALES	17,188.	0.	17,188.
TO FORM 990-PF, PART I, LINE 11	17,188.	0.	17,188.

FORM 990-PF	ACCOUNTING FEES	STATEMENT 3
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<u>DESCRIPTION</u>	<u>(A) EXPENSES PER BOOKS</u>	<u>(B) NET INVEST- MENT INCOME</u>	<u>(C) ADJUSTED NET INCOME</u>	<u>(D) CHARITABLE PURPOSES</u>
ACCOUNTING FEES	6,405.	6,405.	0.	0.
TO FORM 990-PF, PART I, LINE 16B	6,405.	6,405.	0.	0.

FORM 990-PF	TAXES	STATEMENT 4
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<u>DESCRIPTION</u>	<u>(A) EXPENSES PER BOOKS</u>	<u>(B) NET INVEST- MENT INCOME</u>	<u>(C) ADJUSTED NET INCOME</u>	<u>(D) CHARITABLE PURPOSES</u>
PAYROLL TAXES	11,245.	0.	0.	10,233.
TO FORM 990-PF, PART I, LINE 18	11,245.	0.	0.	10,233.

MARGARET PAXTON MEMORIAL FOR CONVALESCENT CHILDREN

54-0600400

FORM 990-PF

OTHER EXPENSES

STATEMENT 5

<u>DESCRIPTION</u>	(A) <u>EXPENSES PER BOOKS</u>	(B) <u>NET INVEST- MENT INCOME</u>	(C) <u>ADJUSTED NET INCOME</u>	(D) <u>CHARITABLE PURPOSES</u>
INSURANCE	16,765.	0.	0.	16,765.
INVESTMENT MGMT FEES	27,094.	27,094.	27,094.	0.
OFFICE SUPPLIES & POSTAGE	1,543.	0.	0.	0.
ADVERTISING	6,034.	0.	0.	5,492.
DUES & SUBSCRIPTIONS	375.	0.	0.	341.
BANK FEES	78.	0.	0.	0.
TAX PENALTIES & INTEREST	231.	0.	0.	0.
PROGRAM SUPPORT	23,986.	0.	0.	23,986.
TO FORM 990-PF, PART I, LINE 23	<u>76,106.</u>	<u>27,094.</u>	<u>27,094.</u>	<u>46,584.</u>

FORM 990-PF

OTHER INVESTMENTS

STATEMENT 6

<u>DESCRIPTION</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
TRUST INVESTMENTS - PNC #21-45-001-6272671	COST	<u>4,789,590.</u>	<u>4,933,335.</u>
TO FORM 990-PF, PART II, LINE 13		<u>4,789,590.</u>	<u>4,933,335.</u>

MARGARET PAXTON MEMORIAL FOR CONVALESCENT CHILDREN

54-0600400

FORM 990-PF

DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT

STATEMENT 7

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
BUILDINGS, EQUIPMENT, ETC. ('93 AND PRIOR)	678,890.	278,512.	400,378.
RE-SURFACE ENTRANCE ROAD	5,900.	3,624.	2,276.
RENOVATIONS TO MAIN HOUSE	10,641.	6,552.	4,089.
RENOVATION - GYM KITCHEN	5,245.	3,227.	2,018.
RENOVATION - NALLE KITCHEN	3,215.	1,968.	1,247.
RENOCATION - WRIGHT ROOF	3,250.	1,871.	1,379.
RENOVATION - WRIGHT FLOORS	6,010.	3,472.	2,538.
RENOVATION - MAIN HOUSE ROOF AND PORCH	13,355.	7,710.	5,645.
SEWER CONSTRUCTION	10,999.	6,357.	4,642.
SEWER CONSTRUCTION	118,938.	65,704.	53,234.
RENOVATION - PORCH AND ROOF	42,218.	23,309.	18,909.
PAVING PARKING LOT	13,000.	6,841.	6,159.
FURNACE	6,000.	3,163.	2,837.
COMMERCIAL DISHWASHERS	3,600.	3,600.	0.
RENOVATION - MANOR HOUSE & SMOKE HOUSE	112,463.	56,360.	56,103.
ADDITIONS TO GYM & RENOVATE BATHROOMS	74,000.	35,175.	38,825.
RENOVATE STONE COTTAGE	28,000.	13,313.	14,687.
REPLACE ROOF - RESIDENTIAL HOUSE & COTTAGE	9,400.	4,469.	4,931.
RENOVATION MANOR HOUSE & SMOKE HOUSE	64,867.	30,836.	34,031.
GYM ADDITION/HEATING SYSTEM	86,600.	38,945.	47,655.
CARRIAGE HOUSE RENOVATION	12,000.	5,403.	6,597.
HEAT PUMP	2,850.	2,850.	0.
BARN, MAIN HOUSE, SMOKE HOUSE RENOVATION	65,092.	27,609.	37,483.
COTTAGE EXTERIOR RENOVATIONS	6,923.	2,944.	3,979.
COTTAGE EXTERIOR RENOVATIONS	32,613.	13,343.	19,270.
DAVIS COTTAGE KITCHEN RENOVATIONS	7,025.	2,873.	4,152.
COTTAGE SECURITY SYSTEM	6,325.	6,325.	0.
FLOORING REPLACEMENT	6,672.	2,729.	3,943.
NEW ROOF - COTTAGE	5,405.	1,361.	4,044.
SHINGLES - MAIN HOUSE	2,500.	632.	1,868.
SCHOOL PROJECT - CONSTRUCTION IN PROGRESS	2,404,555.	444,435.	1,960,120.
COTTAGE IMPROVEMENTS	10,766.	2,358.	8,408.
SCHOOL PROJECT - CONSTRUCTION IN PROGRESS	447,742.	82,755.	364,987.
DAVIS COTTAGE	421,581.	49,100.	372,481.
BARN PROJECT - CONSTRUCTION IN PROGRESS	136,312.	0.	136,312.
TO FORM 990-PF, PART II, LINE 14	4,864,952.	1,239,725.	3,625,227.

FORM 990-PF

SUMMARY OF DIRECT CHARITABLE ACTIVITIES

STATEMENT 8

ACTIVITY ONE

THE MARGARET PAXTON MEMORIAL TRUST SUPPORTS THE WORK OF OTHER NON-PROFITS SERVING CHILDREN IN NEED IN OUR COMMUNITY. THE PAXTON CAMPUS, A 17-ACRE PROPERTY IN LEESBURG, VA, IS HOME TO THE ARC OF LOUDOUN, WHICH PROVIDES SERVICES FOR APPROXIMATELY 100 CHILDREN AND ADULTS WITH DISABILITIES AND THEIR FAMILIES THROUGH A K-12 SPECIAL NEEDS SCHOOL, AN INCLUSIVE PRESCHOOL, AND AN ADVOCACY CENTER. WE ALSO PROVIDED NEARLY \$65,000 IN FUNDING TO SUPPORT THE RENOVATION OF THE STONE BARN TO BE USED AS THE AURORA BEHAVIORAL CLINIC.

EXPENSES

TO FORM 990-PF, PART IX-A, LINE 1

596,676.

FORM 990-PF

SUMMARY OF DIRECT CHARITABLE ACTIVITIES

STATEMENT 9

ACTIVITY TWO

THE MARGARET PAXTON MEMORIAL TRUST PARTNERS WITH SEVERAL OTHER NON-PROFIT ORGANIZATIONS ENABLING US TO PROVIDE SERVICES THAT WE OTHERWISE COULD NOT DELIVERY ON OUR OWN. SOME OF THE PARTNERS WE WORK WITH INCLUDE, MOSAIC VIRGINIA, IT TAKES A VILLAGE, BABY, MOBILE HOPE, WE ROCK THE SPECTRUM, DECODING DYSLEXIA, YMCA OF LOUDOUN, A PLACE TO BE, BACKPACK BUDDIES, INMED OPPORTUNITY CENTER FOR CHILDREN, THE RYAN BARTEL FOUNDATION, AND MANY OTHERS. THROUGH THESE PARTNERSHIPS, WE EITHER CONTRIBUTED FUNDING OR PROVIDED SUPPLIES BY HOLDING DRIVES FOR CLOTHES, FOOD, GIFT CARDS, DIAPERS, SCHOOL SUPPLIES, FURNITURE, OR PROVIDED SPECIFIC ITEMS CHILDREN NEEDED. THROUGH THESE RELATIONSHIPS, WE WERE ABLE TO DIRECTLY SERVE 1,253 INDIVIDUAL CHILDREN IN 2018.

EXPENSES

TO FORM 990-PF, PART IX-A, LINE 2

93,899.

FORM 990-PF

SUMMARY OF DIRECT CHARITABLE ACTIVITIES

STATEMENT 10

ACTIVITY THREE

THE MARGARET PAXTON MEMORIAL TRUST HAS SEVERAL OF ITS OWN PROGRAM INITIATIVES FOCUSED ON EMPOWERING TEENS. OUR "KIDS IN BUSINESS" PROGRAM HELPS TEENS WITH DISABILITIES LAUNCH THEIR OWN BUSINESSES. OUR "12 GREAT DATES WITH YOUR DAUGHTER" PROGRAM DEALS WITH THE MENTAL HEALTH CRISIS OF TEEN GIRLS IN LOUDOUN. IN TWELVE DIFFERENT "DATES," TEENS (WITH THEIR FAVORITE ADULT) DISCUSS THE GOOD, BAD, AND UGLY ISSUES FACING TEEN GIRLS TODAY SUCH AS DATING, BULLING AND SELF-IMAGE WITH FACILITATED DISCUSSIONS LED BY COMMUNITY PROFESSIONALS. IN 2018, WE SERVED 77 TEENS IN THIS PROGRAM. OUR "WHAT'S YOUR WORD" PROGRAM ENABLES GROUPS OF TEENS TO DISCUSS WHO THEY ARE AND WHAT THEY WANT IN LIFE. THEY CHOOSE A WORD TO SET THEIR INTENTION AROUND A GOAL OR STATEMENT ABOUT THEMSELVES AND THEN MAKE A BRACELET WITH THAT WORD. IN 2018, WE SERVED 35 TEENS IN THIS PROGRAM.

EXPENSES

TO FORM 990-PF, PART IX-A, LINE 3

68,703.

FORM 990-PF

SUMMARY OF DIRECT CHARITABLE ACTIVITIES

STATEMENT 11

ACTIVITY FOUR

THE MARGARET PAXTON MEMORIAL TRUST SUPPORTS CHILDREN IN NEED BY MEETING BASIC HEALTH AND SAFETY NEEDS DIRECTLY THROUGH OUR EMERGENCY ASSISTANCE FUND BY PROVIDING SPECIFIC ITEMS SUCH AS CLOTHES, HELP WITH STABLE HOUSING, SHOES, COATS, FOOD, DIAPERS, GLASSES OR ASSISTIVE TECHNOLOGY. IN PARTNERSHIP WITH OTHER NON-PROFITS OR AGENCIES LIKE THE EMERGENCY HOMELESS SHELTER OR CHILD PROTECTIVE SERVICES, WE ALSO PROVIDE CHILDREN IN NEED WITH CLOTHES, SCHOOL SUPPLIES, HYGIENE KITS, ART SUPPLIES, FURNITURE, AND BACKPACKS. IN 2018, THE PAXTON TRUST'S EMERGENCY ASSISTANCE DIRECTLY SERVED 141 CHILDREN.

EXPENSES

TO FORM 990-PF, PART IX-A, LINE 4

63,312.