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Form **990-PF**Department of the Treasury
Internal Revenue Service (77)**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

OMB No 1545-0052

2009

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2009, or tax year beginning , and ending

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☒ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation The Margetts Foundation		A Employer identification number 22-6041532
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions)
	PO Box 287		
	City or town, state, and ZIP code Newport PA 17074		
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			C If exemption application is pending, check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 539,936			D 1. Foreign organizations, check here <input type="checkbox"/>
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)			2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
			F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	7	7		
	4 Dividends and interest from securities	13,391	13,391		
	5 a Gross rents		0		
	b Net rental income or (loss)	0			
	6 a Net gain or (loss) from sale of assets not on line 10	56,164			
	b Gross sales price for all assets on line 6a	77,847			
	7 Capital gain net income (from Part IV, line 2)		56,164		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10 a Gross sales less returns and allowances	0			
b Less Cost of goods sold	0				
c Gross profit or (loss) (attach schedule)	0				
11 Other income (attach schedule)	-28	-154	0		
12 Total. Add lines 1 through 11	69,534	69,408	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)	0	0	0	0
	b Accounting fees (attach schedule)	2,375	1,188	0	1,187
	c Other professional fees (attach schedule)	0	0	0	0
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	360	0	0	0
	19 Depreciation (attach schedule) and depletion	0	0	0	
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	23	87	0	-64
	24 Total operating and administrative expenses. Add lines 13 through 23	2,758	1,275	0	1,123
	25 Contributions, gifts, grants paid	41,350			41,350
26 Total expenses and disbursements. Add lines 24 and 25	44,108	1,275	0	42,473	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	25,426				
b Net investment income (if negative, enter -0-)		68,133			
c Adjusted net income (if negative, enter -0-)			0		

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

Form **990-PF** (2009)

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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		14	14		
	2 Savings and temporary cash investments	9,462	37,007	37,007		
	3 Accounts receivable ▶	0				
	Less allowance for doubtful accounts ▶	0	0	0		
	4 Pledges receivable ▶	0				
	Less allowance for doubtful accounts ▶	0	0	0		
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0		
	7 Other notes and loans receivable (attach schedule) ▶	0				
	Less allowance for doubtful accounts ▶	0	0	0		
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10 a Investments—U S and state government obligations (attach schedule)	0	0	0		
	b Investments—corporate stock (attach schedule)	134,188	129,382	499,857		
	c Investments—corporate bonds (attach schedule)	0	0	0		
	11 Investments—land, buildings, and equipment basis ▶	0				
Less accumulated depreciation (attach schedule) ▶	0	0	0			
12 Investments—mortgage loans						
13 Investments—other (attach schedule)	0	2,673	3,058			
14 Land, buildings, and equipment basis ▶	0					
Less accumulated depreciation (attach schedule) ▶	0	0	0			
15 Other assets (describe ▶)	0	0	0			
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	143,650	169,076	539,936			
Liabilities	17 Accounts payable and accrued expenses					
	18 Grants payable					
	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0			
	21 Mortgages and other notes payable (attach schedule)	0	0			
	22 Other liabilities (describe ▶)	0	0			
23 Total liabilities (add lines 17 through 22)	0	0				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>					
	27 Capital stock, trust principal, or current funds	143,650	169,076			
	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 page 17 of the instructions)	143,650	169,076				
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	143,650	169,076				

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	143,650
2 Enter amount from Part I, line 27a	2	25,426
3 Other increases not included in line 2 (itemize) ▶	3	0
4 Add lines 1, 2, and 3	4	169,076
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	169,076

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Attached Statement				
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	0	0	0	
b	0	0	0	
c	0	0	0	
d	0	0	0	
e	0	0	0	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) F.M.V. 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	0	0	0	
b	0	0	0	
c	0	0	0	
d	0	0	0	
e	0	0	0	
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	56,164
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 pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 }			3	-2,909

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 does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see page 18 of 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))
2008	43,338	521,961	0.083029
2007	35,418	623,323	0.056821
2006	28,725	555,665	0.051695
2005	24,975	535,105	0.046673
2004	28,032	531,266	0.052765

2 Total of line 1, column (d)	2	0.290983
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.058197
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	469,240
5 Multiply line 4 by line 3	5	27,308
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	681
7 Add lines 5 and 6	7	27,989
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 on page 18.	8	42,473

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	681	
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	681	
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4		
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	681	
6 Credits/Payments				
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	360		
b Exempt foreign organizations—tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	0		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments Add lines 6a through 6d	7	360		
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	0		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	321		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0		
11 Enter the amount of line 10 to be Credited to 2010 estimated tax 0 Refunded	11	0		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		
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		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) NJ		
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 General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Part VII-A Statements Regarding Activities (continued)

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 page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address **► N/A**

14 The books are in care of **► W. Thomas Margetts** Telephone no **► (973) 879-5343**
 Located at **► PO Box 846 Boca Grande FL** ZIP+4 **► 33921**

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**

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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ►	1b	N/A
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 2009?	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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	<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 page 20 of the instructions)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 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 2009 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 2009)	3b	N/A
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 2009?	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 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 page 22 of the instructions)?**5b**

N/A

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?**6b**

X

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?**7b**

X

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the 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
W. Thomas Margetts PO Box 846 Boca Grande FL 33921	President 5 00	0	0	0
Donna D. Margetts PO Box 846 Boca Grande FL 33921	Trustee 5 00	0	0	0
	00	0	0	0
	00	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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☐

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 page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
		0
		0
		0
		0
		0

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

**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 Not Applicable	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See page 24 of the instructions	
3	0
Total. Add lines 1 through 3	0

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	461,001
b	Average of monthly cash balances	1b	15,385
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	476,386
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	476,386
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	7,146
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	469,240
6	Minimum investment return. Enter 5% of line 5	6	23,462

Part XI Distributable Amount (see page 25 of the 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	23,462
2a	Tax on investment income for 2009 from Part VI, line 5	2a	681
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	681
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	22,781
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	22,781
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	22,781

Part XII Qualifying Distributions (see page 25 of the 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	42,473
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	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	42,473
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 page 26 of the instructions)	5	681
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	41,792

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				22,781
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2009				
a From 2004	0			
b From 2005	0			
c From 2006	0			
d From 2007	0			
e From 2008	396			
f Total of lines 3a through e	396			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 42,473				
a Applied to 2008, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2009 distributable amount				22,781
e Remaining amount distributed out of corpus	19,692			
5 Excess distributions carryover applied to 2009 (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	20,088			
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 page 27 of the instructions		0		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	20,088			
10 Analysis of line 9				
a Excess from 2005	0			
b Excess from 2006	0			
c Excess from 2007	0			
d Excess from 2008	396			
e Excess from 2009	19,692			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

N/A

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, 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)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue						
a			0		0	0
b			0		0	0
c			0		0	0
d			0		0	0
e			0		0	0
f			0		0	0
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments				14	7	
4 Dividends and interest from securities				14	13,391	
5 Net rental income or (loss) from real estate						
a	Debt-financed property					
b	Not debt-financed property					
6 Net rental income or (loss) from personal property						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory				18	56,164	
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue a Partnership Loss		211110	-154		0	0
b			0		0	0
c			0		0	0
d			0		0	0
e			0		0	0
12 Subtotal. Add columns (b), (d), and (e)			-154		69,562	0
13 Total. Add line 12, columns (b), (d), and (e)					13	69,408

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

[illegible]

The Margetts Foundation

Contributions and Expenses in 2009

<u>Recipient</u>	<u>Amount of Contribution</u>
Aid to Artisans, Inc.(Arts) 331 Wethersfield Ave Hartford, CT 06114	\$100
Alliance for Neighbors, Inc. (Service) PO Box 160096 Altamonte Springs, FL 32716-0090	100
Barro Sin Plomo U.S.A. Inc (Service) PO Box 172 Meriden, NH 03770	2,000
Bloomfield College (Education) Jack Noonan Scholarship 229 Liberty Street Bloomfield, New Jersey 07003	250
Boca Grande Community Center (Service) PO Box 1222 Boca Grande, FL 33921	100
Boca Grande Health Foundation (Medical) PO Box 2340 Boca Grande, FL 33921	5,000
Cathedral of Saints Peter & Paul (Religious) PO Box 301767 St. Thomas, USVI 00803	150
Catholic Family Services Bureau (Service) Sister Mary Henry Memorial Fund PO Box 698 Charlottetown, PEI C1A763, Canada	100
Church of the Nativity & St. Stephen (Religious) 159 South Second Street Newport, PA 17074	250
County College of Morris Foundation (Education) 214 Center Grove Road Randolph, NJ 07869- 2086	5,250
Dartmouth College Fund (Education) Hanover, NH 03755	2,500

Fairleigh Dickinson University (Education) Attn: Director of Annual Giving 1000 River Road H-DH3-12 Teaneck, NJ 07666	100
First Presbyterian Church (Religious) 2 Lee's Hill Road New Vernon, NJ 07976	100
Friends of Florham (Service) Fairleigh Dickinson University Madison, NJ 07940	200
Frost Valley YMCA (Service-Youth) 26 Park Street, Suite 2023 Montclair, NJ 07042	1,500
Gasparilla Island Conservation & Improvement (Conservation) PO Box 446 Boca Grande, FL 33921	500
Gasparilla Island Maritime Museum (Education) Boca Grande, FL 33921	200
Galilee Baptist Church (Religious) PO Box 174 Panola, AL 35477	100
Hanover Institute (Education) 1653 Marton Road Windsor, VT 05089	200
Harding Township Historical Society (Historical) PO Box 1777 New Vernon, NJ 07976	50
Historical Society of Perry County (Historical) PO Box 81 Newport, PA 17074	50
Kent School (Education) PO Box 2006 Kent, CT 06757	250
Kessler Foundation (Service- Medical) 300 Executive Drive West Orange, NJ 07052	2,000
Lafayette 4-H Teen Center (Youth) Attn: Renee Jones, Administrator 31 Abbett Avenue Morristown, NJ 07960	500

Land Conservancy of New Jersey (Environmental) 19 Boonton Avenue Boonton, NJ 07005	100
Millerstown Ferry Boat Association (Service) Box 93 Millersburg, PA 17061	200
Morris Center YMCA (Service- Youth) 79 Horsehill Road Cedar Knolls, NJ 07927	250
Morris Museum Foundation (Service) Normandy Parkway Morristown, NJ 07960	1,075
Morristown Memorial Health Foundation (Service- Medical) 100 Madison Avenue Morristown, NJ 07960	500
Morristown Neighborhood House (Service) 12 Flager Street Morristown, NJ 07960	100
National Civil War Museum (Historical) PO Box 1861 Harrisburg, PA 17105	100
Ned Smith Center for Nature and Art (Education) 177 Waterco Road, Box 33 Millersburg, PA 17061	100
Newark Academy (Education) 91 South Orange Avenue Livingston, NJ 07039	100
New Jersey Audubon (Conservation) Hardscrapple Road Bernardsville, NJ 07924	300
New Jersey Conservation Association (Environmental) Bamboo Brook, 170 Longview Road Far Hills, NJ 07931	150
Newport Ambulance League (Service) 50 South Third Street Newport, PA 17074	100
Newport Citizens Fire Company (Service) 301 Mulberry Street Newport, PA 17074	100

Newport Library (Service- Education) 316 North Fourth Street Newport, PA 17074	500
New Vernon Volunteer Fire Department (Service) Village Road New Vernon, NJ 07976	250
Partnership in Philanthropy (Service) 205 Main Street Chatham, NJ 07928	150
Perry County Arts Council (Arts) 232 Market Street- PO Box 354 Newport, PA 17074	2,850
Perry County Community Foundation (Service) c/o The Foundation for Enhancing Communities 200 North Third Street, PO Box 678 Harrisburg, PA 17108-0678	2,500
Perry County Literacy Council (Service- Education) 232 Market Street, PO Box 37 Newport, PA 17074	1,875
St. Andrew's Episcopal Church (Religious) PO Box 272 Boca Grande, FL 33921	1,500
St. Bernard Catholic Church (Religious) 811 Shermans Valley Road, PO Box 25 New Bloomfield, PA 17068	150
St Peters Episcopal Church (Religious) Miller Road Morristown, NJ 07960	1,500
Salvation Army (Service) 95 Spring Street Morristown, NJ 07960	300
Sarasota Opera (Cultural) 61 North Pineapple Ave Sarasota, FL 34236	1,200
Scherman Hoffman Wildlife Sanctuary (Environment) 11 Hardscrapple Road Bernardsville, NJ 07924	150

Schuyler-Hamilton House (Historical) 5 Olyphant Place Morristown, NJ 07960	50
Theodore E. Shade Memorial Fund (Service-Youth) c/o First National Bank of Mifflintown 266 N. Carlisle Street, PO Box 726 New Bloomfield, PA 17068	250
Special Olympics- NJ (Service-Youth) PO Box 175 Peapack, NJ 07877	500
Sphinx Foundation (Service) Box 213 Hanover, NH 03755	2,000
United Way of Morris County (Service) 222 Ridgedale Avenue Cedar Knolls, NJ 07927	100
University of Virginia Law School Foundation (Education) PO Box 400807 Charlottesville, VA 22904-4807	350
Visiting Nurse Association (Service) 200 Mt Airy Road Basking Ridge, NJ 07920	100
Visiting Nurse Association (Service) 175 South Street Morristown, NJ 079604	250
Washington Association of New Jersey (Historical) PO Box 1473 Morristown, NJ 07960	100
Total	\$ 41,350

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Index	Check Box if Gain/Loss is From Sale of Security	Amount		Description	CUSIP #	Purchaser	Check Box if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales		Cost, Other Basis and Expenses		Net Gain or Loss
											Gross Sales Price	Cost or Other Basis (Enter one field only)	Donated Value		
1	X			100 shs Bank of America	060505104			1/2/2009	P	6/19/2009	1,245	4,154			
2	X			75 shs Merck	58933Y105			1/2/1993	P	11/5/2009	24				
3	X			500 shs Schering Plough	806605101			1/2/1993	P	3/23/2009	11,611	1,130			
4	X			1058 25 shs Schering Plough	806605101			1/2/1993	P	11/5/2009	26,250	2,391			
5	X			55 sh Valley National Bank	919794107			10/21/1999	P	5/22/2009	7				
6	X			200 shs Wyeth	983024100			1/2/1993	P	2/4/2009	8,559	3,502			
7	X			600 shs Wyeth - Merger	983024100			1/2/1993	P	10/16/2009	19,800	10,506			
8	X			600 shs Wyeth - Merger	983024100			1/2/1993	P	10/16/2009	10,351				
9															
10															
Totals															
Securities											77,847		21,683		
Other sales											0		0		
															56,164
															0

Index	Check Box if Gain/Loss is From Sale of Security	Description	CUSIP #	Purchaser	Check Box if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis (Enter one field only)		Expense of Sale and Cost of Improvements	Depreciation
										Cost	Donated Value		
1	X	100 shs Bank of America	060505104			1/2/2009	P	6/19/2009	1,245	4,154			
2	X	75 shs Merck	58933Y105			1/2/1993	P	11/5/2009	24				
3	X	500 shs Schering Plough	806605101			1/2/1993	P	3/23/2009	11,611	1,130			
4	X	1058 25 shs Schering Plough	806605101			1/2/1993	P	11/5/2009	26,250	2,391			
5	X	55 sh Valley National Bank	919794107			10/21/1999	P	5/22/2009	7				
6	X	200 shs Wyeth	983024100			1/2/1993	P	2/4/2009	8,559	3,502			
7	X	600 shs Wyeth - Merger	983024100			1/2/1993	P	10/16/2009	19,800	10,506			
8	X	600 shs Wyeth - Merger	983024100			1/2/1993	P	10/16/2009	10,351				
9													
10													

Line 11 (990-PF) - Other Income

.		-28	-154	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	Energy Transfer Equity LP K-1 loss	-154	-154	
2	Excise Tax Refund	126	0	
3			0	
4			0	
5			0	
6			0	
7			0	
8			0	
9			0	
10			0	

Line 16b (990-PF) - Accounting Fees

		2,375	1,188	0	1,187
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	WS+B	2,375	1,188		1,187
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

		360	0	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1					
2	Tax on investment income	360			
3					
4					
5					
6					
7					
8					
9					
10					

Line 23 (990-PF) - Other Expenses

		23	87	0	-64
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Amortization See attached statement	0	0	0	0
2	Uncashed contribution	-100			-100
3	Annual Fee - Brown Securities	50	50		
4	Postage / Office	73	37		36
5					
6					
7					
8					
9					
10					

Part II, Line 10b (990-PF) - Investments - Corporate Stock

			134,188	129,382	462,559	499,857
	Description	Num Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year
1	Automatic Data Processing	2,650	14,900	14,900	104,251	113,473
2	Broadridge Finl Solutions	387	932	932	4,853	8,731
3	Brown Adv I Bond Fund	36	379	5,410	384	5,312
4	Colgate-Palmolive	1,600	12,905	12,905	109,664	131,440
5	Center Bancorp	792	7,259	7,259	6,478	7,065
6	Home Depot	100	3,375	3,375	2,302	2,893
7	Heinz HJ Co	300	5,329	5,329	11,280	12,828
8	Idearc Inc	5	74	74	0	0
9	Johnson & Johnson	500	11,093	11,093	29,915	32,205
10	Medco Health Solutions	216	1,355	1,355	9,053	13,805
11	Merck	700	18,632	21,890	21,280	78,232
12	Orrstown Finl Services Inc	351	11,265	11,265	9,565	12,243
13	Pfizer Inc	1,000	4,385	14,737	17,710	28,940
14	Procter & Gamble	400	7,649	7,649	24,728	24,252
15	Smucker JM Co	4	60	60	173	247
16	Schering Plough Corp	3,000	6,779	0	51,090	0
17	UGI Corp New	800	4,008	4,008	19,536	19,352
18	Verizon Communications	100	1,930	1,930	3,390	3,313
19	Valley National Bancorp	271	3,712	3,712	5,488	4,013
20	Wyeth	800	14,008	0	30,008	0
21	Bank of America	100	4,154	0	1,408	0
22	Farpoint Communications	1	5	5	3	0
23	General Electric	100	0	1,494		1,513

Part II, Line 13 (990-PF) - Investments - Other

			0	2,673	3,058
	Item or Category	Basis of Valuation	Book Value Beg. of Year	Book Value End of Year	FMV End of Year
1	Energy Transfer Equity LP	AT COST		2,673	3,058
2					
3					
4					
5					
6					
7					
8					
9					
10					

1

[illegible]

Part XVI-A, Lines 11a-11e (990-PF) - Other Revenue

		Unrelated Business Income		Excluded by Section 512, 513, or 514		
Program Service Revenue		Business Code	Amount	Exclusion Code	Amount	Related or Exempt Function Income
1	Partnership Loss	211110	-154		0	
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						