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Return of Private Foundation

OMB No 1545-0052

Department of the Treasury
Internal Revenue Serviceor Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

2009

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

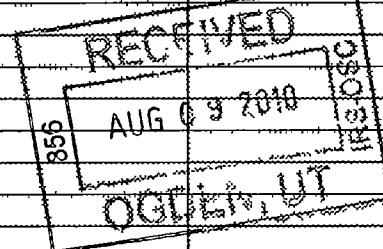
For calendar year 2009, or tax year beginning , and ending

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 POWDER MILL FOUNDATION		A Employer identification number 23-7751589
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 140 E. MARKET ST P.O. BOX 2026		B Telephone number 717-848-5500
	City or town, state, and ZIP code YORK, PA 17405-2026		C If exemption application is pending, check here ☐
	H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1 Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 16,116,635. (Part I, column (d) must be on cash basis)		J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
			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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		72,126.	61,444.		STATEMENT 1
4 Dividends and interest from securities		367,968.	367,486.		STATEMENT 2
5a Gross rents		10,200.	10,200.		STATEMENT 3
b Net rental income or (loss) -3,670.					STATEMENT 4
6a Net gain or (loss) from sale of assets not on line 10		-769,917.			
b Gross sales price for all assets on line 6a -769,917.			0.		
7 Capital gain net income (from Part IV, line 2)					
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)		-10,895.	0.		STATEMENT 5
11 Other income		-330,518.	439,130.		
12 Total. Add lines 1 through 11		0.	0.		0.
13 Compensation of officers, directors, trustees, etc					
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 6		122.	122.		0.
b Accounting fees					
c Other professional fees STMT 7		85,108.	80,858.		4,250.
17 Interest STMT 8		9,729.	9,729.		0.
18 Taxes					
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 9		11,254.	10,731.		442.
24 Total operating and administrative expenses. Add lines 13 through 23		106,213.	101,440.		4,692.
25 Contributions, gifts, grants paid		857,250.			857,250.
26 Total expenses and disbursements. Add lines 24 and 25		963,463.	101,440.		861,942.
27 Subtract line 26 from line 12		-1,293,981.			
a Excess of revenue over expenses and disbursements			337,690.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				N/A	

SCANNED AUG 11 2010



Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

						Beginning of year		End of year	
						(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash - non-interest-bearing							
	2	Savings and temporary cash investments				177,111.	946,352.	946,352.	
	3	Accounts receivable							
		Less: allowance for doubtful accounts							
	4	Pledges receivable							
		Less: allowance for doubtful accounts							
	5	Grants receivable							
	6	Receivables due from officers, directors, trustees, and other disqualified persons							
	7	Other notes and loans receivable		500,000.	STATEMENT 11				
		Less: allowance for doubtful accounts				500,000.	500,000.	500,000.	
	8	Inventories for sale or use							
	9	Prepaid expenses and deferred charges							
	10a	Investments - U S and state government obligations	STMT 12			1,336,133.	0.	0.	
	b	Investments - corporate stock	STMT 13			9,482,736.	8,676,187.	9,155,398.	
	c	Investments - corporate bonds	STMT 14			3,239,878.	3,774,166.	4,139,772.	
Liabilities	11	Investments - land, buildings, and equipment basis							
		Less: accumulated depreciation							
	12	Investments - mortgage loans							
	13	Investments - other	STMT 15			1,456,988.	1,002,160.	1,002,160.	
	14	Land, buildings, and equipment basis	372,953.						
		Less: accumulated depreciation				372,953.	372,953.	372,953.	
	15	Other assets (describe)							
	16	Total assets (to be completed by all filers)				16,565,799.	15,271,818.	16,116,635.	
	17	Accounts payable and accrued expenses							
	18	Grants payable				1,598,000.			
Net Assets or Fund Balances	19	Deferred revenue							
	20	Loans from officers, directors, trustees, and other disqualified persons							
	21	Mortgages and other notes payable							
	22	Other liabilities (describe) SECURITY DEPOSIT)				500.	500.		
	23	Total liabilities (add lines 17 through 22)				1,598,500.	500.		
		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.		☐					
	24	Unrestricted							
Net Assets or Fund Balances	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				0.	0.		
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				0.	0.		
	29	Retained earnings, accumulated income, endowment, or other funds				14,967,299.	15,271,318.		
	30	Total net assets or fund balances				14,967,299.	15,271,318.		
	31	Total liabilities and net assets/fund balances				16,565,799.	15,271,818.		

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	14,967,299.
2	Enter amount from Part I, line 27a	2	-1,293,981.
3	Other increases not included in line 2 (itemize) SEE STATEMENT 10	3	1,598,000.
4	Add lines 1, 2, and 3	4	15,271,318.
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	15,271,318.

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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 (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				
b	SEE ATTACHED STATEMENT			
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			
b			
c			
d			
e	-769,917.		-769,917.

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			-769,917.

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	-769,917.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see 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	946,448.	17,541,746.	.053954
2007	677,649.	18,907,475.	.035840
2006	336,362.	17,860,979.	.018832
2005	54,600.	2,514,215.	.021717
2004	49,236.	1,099,269.	.044790

2	Total of line 1, column (d)	2	.175133
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	.035027
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	14,174,465.
5	Multiply line 4 by line 3	5	496,489.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3,377.
7	Add lines 5 and 6	7	499,866.
8	Enter qualifying distributions from Part XII, line 4	8	861,942.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)		1	3,377.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	3,377.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	3,377.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	7,965.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	1,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	8,965.	
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		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	5,588.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☐ \$ 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
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		X
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	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ PA		
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)? 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

N/A

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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 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? Website address ► N/A	13	X	
14	The books are in care of ► JOHN L. FINLAYSON Telephone no ► 717-848-5500 Located at ► 140 E MARKET STREET, YORK, PA ZIP+4 ► 17401			
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

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?	☐ 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 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		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 2009?		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? If "Yes," list the years ►	☐ Yes ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ 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.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		X

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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)? ☐ 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 ☐ N/A

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). ☐ N/A

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. ☐ N/A

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 ☐ N/A

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.

(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
LOUIS J. APPELL, JR 140 E MARKET STREET YORK, PA 17401	TRUSTEE 2.00	0.	0.	0.
JOSEPHINE S. APPELL 140 E MARKET STREET YORK, PA 17401	TRUSTEE 2.00	0.	0.	0.
JOHN L FINLAYSON 140 E MARKET STREET YORK, PA 17401	TRUSTEE 3.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

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

0

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Part VIII**Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

(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 THE SOLE ACTIVITY IS TO MAKE CHARITABLE CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS IN THE YORK, PENNSYLVANIA AREA	861,942.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	0.

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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	11,702,437.
b	Average of monthly cash balances	1b	812,770.
c	Fair market value of all other assets	1c	1,875,113.
d	Total (add lines 1a, b, and c)	1d	14,390,320.
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	14,390,320.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	215,855.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	14,174,465.
6	Minimum investment return. Enter 5% of line 5	6	708,723.

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	708,723.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	3,377.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	3,377.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	705,346.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	705,346.
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	705,346.

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	861,942.
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	861,942.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	3,377.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	858,565.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				705,346.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			855,983.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 861,942.				
a Applied to 2008, but not more than line 2a			855,983.	
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 2009 distributable amount	0.			5,959.
e Remaining amount distributed out of corpus	0.			
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	0.			
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 2008 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				699,387.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part XIV	Private Operating Foundations (see instructions and Part VII-A, question 9)
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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 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 M & T INVESTMENT GROUP		P	VARIOUS	VARIOUS
b SUSQUEHANNA PFALTZGRAFF CO RESERVE TRUST		P	VARIOUS	VARIOUS
c SUSQUEHANNA PFALTZGRAFF CO RESERVE TRUST		P	VARIOUS	VARIOUS
d SUSQUEHANNA PFALTZGRAFF CO WINDUP LIQUIDATING TRU		P	VARIOUS	VARIOUS
e SUSQUEHANNA PFALTZGRAFF CO WINDUP LIQUIDATING TRU		P	VARIOUS	VARIOUS
f CAPITAL GAINS DIVIDENDS				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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 -759,440.			-759,440.
b 1,367.			1,367.
c -4,692.			-4,692.
d 480.			480.
e -7,638.			-7,638.
f 6.			6.
g			
h			
i			
j			
k			
l			
m			
n			
o			

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) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			-759,440.
b			1,367.
c			-4,692.
d			480.
e			-7,638.
f			6.
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	-769,917.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) If (loss), enter "-0-" in Part I, line 8 }	3	N/A

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

SOURCE	AMOUNT
M&T INTEREST	298.
SPC RESIDUAL LLC	164.
SUSQUEHANNA PFALTZGRAFF CO RESERVE TRUST	13,853.
SUSQUEHANNA PFALTZGRAFF CO WINDUP LIQUIDATING TRUST	34,446.
US TREASURY INTEREST	23,365.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	72,126.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND INCOME	364,816.	0.	364,816.
SUSQUEHANNA PFALTZGRAFF CO RESERVE TRUST	2,403.	0.	2,403.
SUSQUEHANNA PFALTZGRAFF CO WINDUP LIQUIDATING TRUST	755.	6.	749.
TOTAL TO FM 990-PF, PART I, LN 4	367,974.	6.	367,968.

FORM 990-PF RENTAL INCOME STATEMENT 3

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
	1	10,200.
TOTAL TO FORM 990-PF, PART I, LINE 5A		10,200.

FORM 990-PF	RENTAL EXPENSES	STATEMENT	4
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DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
REAL ESTATE TAXES		6,487.	
YORK WASTE		191.	
INSURANCE		970.	
MAINTENANCE		6,222.	
- SUBTOTAL -	1		13,870.
TOTAL RENTAL EXPENSES			13,870.
NET RENTAL INCOME TO FORM 990-PF, PART I, LINE 5B			-3,670.

FORM 990-PF	OTHER INCOME	STATEMENT	5
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
SUSQUEHANNA PFALTZGRAFF CO WINDUP LIQUIDATING TRUST	-10,895.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-10,895.	0.	

FORM 990-PF	LEGAL FEES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ATTORNEY FEES (SPC RESERVE TRUST)	122.	122.		0.
TO FM 990-PF, PG 1, LN 16A	122.	122.		0.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
DENT INVESTMENT MANAGEMENT FEES	75,782.	75,782.		0.	
M&T INVESTMENT FEES	4,784.	4,784.		0.	
ACCOUNTING FEES	4,250.	0.		4,250.	
FIDUCIARY FEES(SPC RESERVE TRUST)	292.	292.		0.	
TO FORM 990-PF, PG 1, LN 16C	85,108.	80,858.		4,250.	

FORM 990-PF	TAXES			STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES	3,189.	3,189.		0.	
FOREIGN TAXES(SPC RESERVE TRUST)	53.	53.		0.	
REAL ESTATE TAXES	6,487.	6,487.		0.	
TO FORM 990-PF, PG 1, LN 18	9,729.	9,729.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	9
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
CLERICAL SERVICES	589.	147.		442.	
INVESTMENT EXPENSES(SPC WINDUP LIQ TRUST)	1,053.	1,053.		0.	
INVESTMENT FEES(SPC RESERVE TRUST)	1,363.	1,282.		0.	
BONDING FEES(SPC RESERVE TRUST)	702.	702.		0.	
INVESTMENT EXPENSES(SPC RESIDUAL)	164.	164.		0.	
YORK WASTE	191.	191.		0.	
INSURANCE	970.	970.		0.	
MAINTENANCE	6,222.	6,222.		0.	
TO FORM 990-PF, PG 1, LN 23	11,254.	10,731.		442.	

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 10

DESCRIPTION	AMOUNT
REVERSE PRIOR YEAR FUTURE DISTRIBUTIONS	1,598,000.
TOTAL TO FORM 990-PF, PART III, LINE 3	1,598,000.

FORM 990-PF OTHER NOTES AND LOANS RECEIVABLE STATEMENT 11

DESCRIPTION	BALANCE DUE	DOUBTFUL ACCT ALLOWANCE	FMV OF LOAN
CODO 241, LP	500,000.	0.	500,000.
TOTAL TO FM 990-PF, PART II, LN 7	500,000.	0.	500,000.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 12

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US GOVERNMENT OBLIGATIONS	X		0.	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			0.	0.

FORM 990-PF CORPORATE STOCK STATEMENT 13

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	8,676,187.	9,155,398.
TOTAL TO FORM 990-PF, PART II, LINE 10B	8,676,187.	9,155,398.

FORM 990-PF	CORPORATE BONDS	STATEMENT	14
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	3,774,166.	4,139,772.
TOTAL TO FORM 990-PF, PART II, LINE 10C	3,774,166.	4,139,772.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	15
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ANTIQUE AUTOMOBILE	COST	26,500.	26,500.
INVESTMENT IN WINDUP LIQUIDATING TRUST	COST	381,427.	381,427.
INVESTMENT IN RESERVE TRUST	COST	594,233.	594,233.
INVESTMENT IN SPC RESIDUAL LLC	COST	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,002,160.	1,002,160.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 16

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
CRISPUS ATTUCKS 605 S. DUKE STREET YORK, PA 17401	NONE GENERAL PURPOSE	PUBLIC	100,000.
CULTURAL ALLIANCE OF YORK COUNTY 14 W. MARKET STREET YORK, PA 17401	NONE GENERAL PURPOSE	PUBLIC	52,500.
YMCA OF YORK AND YORK COUNTY 90 NORTH NEWBERRY STREET YORK, PA 17401	NONE GENERAL PURPOSE	PUBLIC	200,000.
YORK CITY LITTLE LEAGUE CAPITAL CAMPAIGN P.O. BOX 3091 YORK, PA 17402	NONE GENERAL PURPOSE	PUBLIC	25,000.
HARPSWELL HERITAGE LAND TRUST P.O. BOX 359 HARPSWELL, PA 17401	NONE GENERAL PURPOSE	PUBLIC	3,000.
PENNSYLVANIA COALITION AGAINST RAPE 125 N. ENOLA DRIVE ENOLA, PA 17025	NONE GENERAL PURPOSE	PUBLIC	7,500.
RONALD MCDONALD HOUSE ONE KROC DRIVE OAK BROOK, IL 60523	NONE GENERAL PURPOSE	PUBLIC	15,000.
YORK COLLEGE ELECTRICAL & COMPUTER ENGINEERING 441 COUNTRY CLUB ROAD YORK, PA 17403	NONE GENERAL PURPOSE	PUBLIC	30,000.

POWDER MILL FOUNDATION

23-7751589

YORK COUNTY HERITAGE TRUST 250 E. MARKET STREET YORK, PA 17403	NONE CONCOURS	PUBLIC	5,000.
YORK SYMPHONY ORCHESTRA 10 N. BEAVER STREET YORK, PA 17401	NONE GENERAL PURPOSE	PUBLIC	20,000.
YWCA 320 EAST MARKET STREET YORK, PA 17403	NONE GENERAL PURPOSE	PUBLIC	150,000.
YOUNG LIFE YORK P.O. BOX 1171 YORK, PA 17405	NONE GENREAL PURPOSE	PUBLIC	8,750.
CROSSROADS YOUTH CENTER 255 W. KING ST YORK, PA 17401	NONE GENERAL PURPOSE	PUBLIC	7,500.
YORKCOUNTS 105 LEADER HEIGHTS ROAD, SUITE 2 YORK, PA 17403	NONE GENERAL PURPOSE	PUBLIC	25,000.
YORK HOSPITAL MEDICAL EDUCATION 1001 S. GEORGE ST YORK, PA 17401	NONE GENERAL PURPOSE	PUBLIC	40,000.
PRESERVATION PENNSYLVANIA 257 NORTH STREET HARRISBURG, PA 17107	NONE GENERAL PURPOSE	PUBLIC	11,000.
DREAM WRIGHTS YOUTH AND FAMILY THEATRE 100 CARLISLE AVENUE YORK, PA 17401	NONE GENERAL PURPOSE	PUBLIC	10,000.
STEWARDS OF THE LOWER SUSQUEHANNA, INC. 324 W. MARKET STREET YORK, PA 17401	NONE GENERAL PURPOSE	PUBLIC	5,000.

POWDER MILL FOUNDATION

23-7751589

COMMON CAUSE EDUCATIONAL FUND 1139 19TH STREET NW, 19TH FLOOR WASHINGTON, DC 20036	NONE GENERAL PURPOSE	PUBLIC	2,000.
SAVE OUR LAND INC 222 CHESTNUT STREET POTTSTOWN, PA 19464-5508	NONE GENERAL PURPOSE	PUBLIC	5,000.
SUSQUEHANNA HERITAGE CORP 1706 LONG LEVEL ROAD WRIGHTSVILLE, PA 17368-9009	NONE GENERAL PURPOSE	PUBLIC	25,000.
YORK-ADAMS AREA BOY SCOUT COUNCIL 2139 WHITE STREET YORK, PA 17404	NONE GENERAL PURPOSE	PUBLIC	50,000.
YORK COUNTY RAIL TRAIL P.O. BOX 335 SEVEN VALLEYS, PA 17360	NONE GENERAL PURPOSE	PUBLIC	60,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			857,250.

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization POWDER MILL FOUNDATION	Employer identification number 23-7751589
	Number, street, and room or suite no. If a P.O. box, see instructions 140 E. MARKET ST P.O. BOX 2026	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions YORK, PA 17405-2026	

Check type of return to be filed (file a separate application for each return):

- | | | |
|---|---|------------------------------------|
| ☐ Form 990 | ☐ Form 990-T (corporation) | ☐ Form 4720 |
| ☐ Form 990-BL | ☐ Form 990-T (sec. 401(a) or 408(a) trust) | ☐ Form 5227 |
| ☐ Form 990-EZ | ☐ Form 990-T (trust other than above) | ☐ Form 6069 |
| ☒ Form 990-PF | ☐ Form 1041-A | ☐ Form 8870 |

JOHN L. FINLAYSON

- The books are in the care of ► **140 E MARKET STREET - YORK, PA 17401**
Telephone No. ► **717-848-5500** FAX No. ► _____
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1** I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2010**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
► ☒ calendar year **2009** or
► ☐ tax year beginning _____, and ending _____

- 2** If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	8,965.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$	7,965.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$	1,000.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 4-2009)