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

2009

Department of the Treasury
Internal Revenue Service

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 Apr 1, 2009, and ending Mar 31, 2010

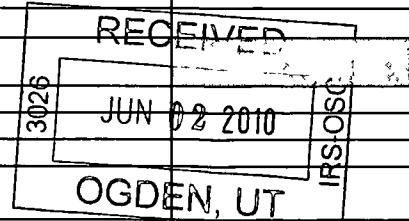
G Check all that apply: Initial return Initial Return of a former public charity Final return
 Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation THE PENCOYD FOUNDATION U/A DTD 12/29/98	A Employer identification number 25-6613197	
	Number and street (or P O box number if mail is not delivered to street address) 234 PEMBROKE AVENUE	B Telephone number (see the instructions) (610) 971-2663	
	City or town WAYNE	C If exemption application is pending, check here ► <input type="checkbox"/>	
	State ZIP code PA 19087	D 1 Foreign organizations, check here ... <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation. <input type="checkbox"/>	
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			
I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► \$ 605,976.		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	

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 the instructions))

R E V E N U E	(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 (att sch)				
2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	9,424.	9,424.	9,424.	
5a Gross rents				
b Net rental income or (loss) _____	L-6a Stmt			
6a Net gain/(loss) from sale of assets not on line 10	56,838.			
b Gross sales price for all assets on line 6a 172,737.				
7 Capital gain net income (from Part IV, line 2)		56,838.		
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/(loss) (att sch)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	66,262.	66,262.	9,424.	
ADMINISTRATIVE EXPENSES				
13 Compensation of officers, directors, trustees, etc				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch)	1,725.			
c Other prof fees (attach sch)				
17 Interest	452.	452.		
18 Taxes (attach schedule)(see instr) See Line 18 Stmt	115.			
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)				
24 Total operating and administrative expenses. Add lines 13 through 23	2,292.	452.		
25 Contributions, gifts, grants paid	34,750.			34,750.
26 Total expenses and disbursements. Add lines 24 and 25	37,042.	452.		34,750.
27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements	29,220.			
b Net investment income (if negative, enter -0-)		65,810.		
c Adjusted net income (if negative, enter -0-)			9,424.	



914-16 16

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			
	2	Savings and temporary cash investments	266,671.	98,116.	98,116.
	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 the instructions)			
	7	Other notes and loans receivable (attach sch)			
		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) L-10b Stmt	150,724.	128,371.	229,891.
	c	Investments – corporate bonds (attach schedule) L-10c Stmt	50,503.	270,631.	277,969.
	11	Investments – land, buildings, and equipment: basis			
	Less: accumulated depreciation (attach schedule)				
12	Investments – mortgage loans				
13	Investments – other (attach schedule) L-13 Stmt				
14	Land, buildings, and equipment: basis				
	Less: accumulated depreciation (attach schedule)				
15	Other assets (describe)				
16	Total assets (to be completed by all filers – see instructions. Also, see page 1, item I)	467,898.	497,118.	605,976.	
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe)			
	23	Total liabilities (add lines 17 through 22)			
NET ASSETS	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	467,898.	497,118.	
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see the instructions)	467,898.	497,118.	
	31	Total liabilities and net assets/fund balances (see the instructions)	467,898.	497,118.	

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	467,898.
2	Enter amount from Part I, line 27a	2	29,220.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	497,118.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	497,118.

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 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)	
1a M. STANLEY/S. BARNEY (SEE LIST ATTACHED) L/T			P	Various	Various	
b M. STANLEY/S. BARNEY (SEE LIST ATTACHED) S/T			P	Various	Various	
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	140,331.		87,455.	52,876.		
b	32,405.		28,443.	3,962.		
c						
d						
e						
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))	
(i) Fair Market Value as of 12/31/69		(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any			
a	0.	0.	0.	52,876.		
b	0.	0.	0.	3,962.		
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	56,838.
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 the instructions). If (loss), enter -0- in Part I, line 8					3	

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 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 (column (b) divided by column (c))	
2008	50,600.	646,328.	0.078288	
2007	367,595.	919,368.	0.399834	
2006	324,672.	1,367,986.	0.237336	
2005	75,671.	1,227,144.	0.061664	
2004	48,502.	1,028,002.	0.047181	
2 Total of line 1, column (d)			2	0.824303
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	0.164861
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4	570,934.
5 Multiply line 4 by line 3			5	94,125.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6	658.
7 Add lines 5 and 6			7	94,783.
8 Enter qualifying distributions from Part XII, line 4			8	34,750.

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 the instructions)

1a	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 instr.)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b.	1 1,316.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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 1,316.
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 1,316.
6	Credits/Payments:	
a	2009 estimated tax pmts and 2008 overpayment credited to 2009	6a 480.
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	7 480.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8 10.
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9 846.
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 ►	Refunded
		► 11

Part VII-A Statements Regarding Activities

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?

	Yes	No
1a		X

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

	X
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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?

	X
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d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year

(1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____

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
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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
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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

	X
--	---

• 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, column (c), and Part XV

	X
--	---

8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ►

PA – Pennsylvania

	X
--	---

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
--	---

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 ► HOWARD R. MORGAN Located at ► 234 PEMBROKE AVENUE, WAYNE, PENNSYLVIA IA ZIP + 4 ► 19087 Telephone no. ► (610) 254-9686		
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 the instructions)? 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 2009? ► □		
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 ► 20__, 20__, 20__, 20__. ► □ Yes <input checked="" type="checkbox"/> 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 the instructions.) ► □		
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 <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.) ► □		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? ► □		
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? ► □		

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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)?	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? <i>If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If 'Yes' to 6b, file Form 8870.</i>	6b	X	
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b		

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 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
HOWARD R. MORGAN 234 PEMBROKE AVENUE WAYNE PA 19087	TRUSTEE 0.00	0.	0.	0.
ELIZABETH T. MORGAN 234 PEMBROKE AVENUE WAYNE PA 19087	TRUSTEE 0.00	0.	0.	0.
H. RANDALL MORGAN JR. 11515 GAUGUIN LANE POTOMAC MD 20854	TRUSTEE 0.00	0.	0.	0.
See Information about Officers, Directors, Trustees, Etc.		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see instructions). If none, enter 'NONE.'				
(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
0				
0				
0				
0				

Total number of other employees paid over \$50,000 ► None

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		0
		0
		0
Total number of others receiving over \$50,000 for professional services .		None

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	
2	
3	
4	

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

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

Amount

1	
2	
All other program-related investments See instructions.	
3	

Total. Add lines 1 through 3

BAA

Form 990-PF (2009)

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	376,020.
b Average of monthly cash balances	1b	203,608.
c Fair market value of all other assets (see instructions)	1c	0.
d Total (add lines 1a, b, and c)	1d	579,628.
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	579,628.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	8,694.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	570,934.
6 Minimum investment return. Enter 5% of line 5	6	28,547.

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	28,547.
2a Tax on investment income for 2009 from Part VI, line 5	2a	1,316.
b Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	1,316.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	27,231.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	27,231.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	27,231.

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	34,750.
b Program-related investments – total from Part IX-B	1b	
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	34,750.
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	34,750.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				27,231.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			31,358.	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009:				
a From 2004	0.			
b From 2005	17,890.			
c From 2006	258,874.			
d From 2007	367,842.			
e From 2008	50,600.			
f Total of lines 3a through e	695,206.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 34,750.				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2009 distributable amount				
e Remaining amount distributed out of corpus	34,750.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	729,956.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount — see instructions			31,358.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				27,231.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)		0.		
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	729,956.			
10 Analysis of line 9:				
a Excess from 2005	17,890.			
b Excess from 2006	258,874.			
c Excess from 2007	367,842.			
d Excess from 2008	50,600.			
e Excess from 2009	34,750.			

Part XV Supplementary Information (continued)**3^b 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
<i>a Paid during the year</i>				
SCHEDULE ATTACHED				
VARIOUS				
VARIOUS	PA 00000	SCH.	SCHEDULE ATTACHED	34,750.
Total				► 3a 34,750.
<i>b Approved for future payment</i>				
Total				► 3b
BAA			TEEA0501 07/06/09	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
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	9,424.	
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		56,839.	56,838.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory . . .					
11 Other revenue:					3,
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e) . . .				66,263.	56,838.
13 Total. Add line 12, columns (b), (d), and (e) . . .					13 123,101.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See the instructions)
8	CAPITAL GAINS ON SALES OF INVESTMENTS.

Name THE PENCOYD FOUNDATION U/A DTD 12/29/98	Employer Identification Number 25-6613197
Asset Information:	
Description of Property: .	<u>MORGAN STANLEY/SMITH BARNEY (SEE LIST ATTACHED)</u>
Date Acquired: <u>Various</u>	How Acquired: <u>Purchased</u>
Date Sold: <u>Various</u>	Name of Buyer: _____
Sales Price: . <u>172,737.</u>	Cost or other basis (do not reduce by depreciation) . <u>115,899.</u>
Sales Expense: _____	Valuation Method: _____
Total Gain (Loss): . <u>56,838.</u>	Accumulation Depreciation: _____
Description of Property: .	
Date Acquired: _____	How Acquired: .
Date Sold: _____	Name of Buyer: _____
Sales Price: _____	Cost or other basis (do not reduce by depreciation) .
Sales Expense: _____	Valuation Method: .
Total Gain (Loss): .	Accumulation Depreciation: .
Description of Property: .	
Date Acquired: _____	How Acquired: .
Date Sold: . <u>.....</u>	Name of Buyer: _____
Sales Price: .	Cost or other basis (do not reduce by depreciation) .
Sales Expense: .	Valuation Method: .
Total Gain (Loss): .	Accumulation Depreciation: .
Description of Property: .	
Date Acquired: _____	How Acquired: .
Date Sold: _____	Name of Buyer: .
Sales Price: _____	Cost or other basis (do not reduce by depreciation) .
Sales Expense: _____	Valuation Method: .
Total Gain (Loss): .	Accumulation Depreciation: .
Description of Property: .	
Date Acquired: _____	How Acquired: .
Date Sold: _____	Name of Buyer: .
Sales Price: .	Cost or other basis (do not reduce by depreciation) .
Sales Expense: _____	Valuation Method: .
Total Gain (Loss): .	Accumulation Depreciation: .
Description of Property: .	
Date Acquired: _____	How Acquired: .
Date Sold: .	Name of Buyer: .
Sales Price: .	Cost or other basis (do not reduce by depreciation) .
Sales Expense: _____	Valuation Method: .
Total Gain (Loss): .	Accumulation Depreciation: .
Description of Property: .	
Date Acquired: _____	How Acquired: .
Date Sold: .	Name of Buyer: .
Sales Price: .	Cost or other basis (do not reduce by depreciation) .
Sales Expense: _____	Valuation Method: .
Total Gain (Loss): .	Accumulation Depreciation: .
Description of Property: .	
Date Acquired: _____	How Acquired: .
Date Sold: .	Name of Buyer: .
Sales Price: .	Cost or other basis (do not reduce by depreciation) .
Sales Expense: _____	Valuation Method: .
Total Gain (Loss): .	Accumulation Depreciation: .

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
PENNSYLVANIA	15.			
2ND QUARTER FED. EST.	100.			
Total	<u>115.</u>			

Form 990-PF, Page 6, Part VIII, Line 1

Information about Officers, Directors, Trustees, Etc.

(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
Person . . <input checked="" type="checkbox"/> Business <input type="checkbox"/> <u>CARL G. MORGAN</u> <u>526 MILLBROOK ROAD</u> <u>DEVON PA 19333</u>	TRUSTEE 0.00	0.	0.	0.
Person . . <input checked="" type="checkbox"/> Business . . <input type="checkbox"/> <u>ANNA E. MORGAN-CASSIDY</u> <u>415 MIDLAND AVENUE</u> <u>WAYNE PA 19087</u>	TRUSTEE 0.00	0.	0.	0.
Total		0.	0.	0.

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	Book Value	End of Year Fair Market Value
2000 SHS. ALLERGAN INC.	30,699.	130,640.
1333 SHS. AQUA AMERICA INC.	22,910.	23,421.
100 SHS. CHEVRON CORPORATION	74,762.	75,830.
Total	<u>128,371.</u>	<u>229,891.</u>

Form 990-PF, Page 2, Part II, Line 10c

L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	Book Value	End of Year Fair Market Value
500 SHS. ISHARES BARCLAY FUND	52,637.	51,950.
25000 ALCOA INC.	24,020.	26,386.
4000.181 SHS TEMPLETON GLOBAL FUND	49,327.	53,682.
METROPOLITAN LIFE INSURANCE CO. BOND	52,284.	53,251.

Form 990-PF, Page 2, Part II, Line 10c
L-10c Stmt

Continued

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
<u>10000 DNP SELECT INCOME FUND</u>	<u>92,363.</u>	<u>92,700.</u>
Total	<u><u>270,631.</u></u>	<u><u>277,969.</u></u>

PENCOYD FOUNDATION
EIN: 25-6613197
GRANTS
YEAR ENDED MARCH 31, 2010

<u>DATE</u>	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
4/20/2009	THE UNION LEAGUE OF PHILADELPHIA SCHOLARSHIP FUND 140 SOUTH BROAD STREET PHILADELPHIA, PA 19101	GENERAL SUPPORT SOCIAL SERVICES	1,000.00
5/13/2009	THE PENNSYLVANIA HORTICULTURAL SOCIETY 100 NORTH 20TH STREET, 5TH FLOOR PHILADELPHIA, PA 19103-1495	GENERAL SUPPORT CONSERVATION	1,250.00
5/15/2009	ROANOKE COLLEGE 221 COLLEGE LANE SALEM, VA	GENERAL SUPPORT EDUCATION	1,500.00
5/18/2009	THE EPISCOPAL ACADEMY 1785 BISHOP WHITE DRIVE NEWTOWN SQUARE, PA 19073	GENERAL SUPPORT EDUCATION	4,000.00
5/19/2009	THE PHILADELPHIA MUSEUM OF ART P.O. BOX 7646 PHILADELPHIA, PA 19101	GENERAL SUPPORT CULTURAL ARTS	3,500.00
5/29/2009	WEST CHESTER UNIVERSITY POETRY FOUNDATION WEST CHESTER, PA 19383	GENERAL SUPPORT EDUCATION	500.00
6/17/2009	CHARLES E. SMITH JEWISH DAY SCHOOL 1901 EAST JEFFERSON STREET ROCKVILLE, MD 20852	GENERAL SUPPORT EDUCATION	1,800.00
6/17/2009	JEWISH FEDERATION OF GREATER WASHINGTON 6101 MONTROSE ROAD ROCKVILLE, MD 20852	GENERAL SUPPORT RELIGIOUS/SOCIAL SERVICES	4,000.00
6/18/2009	ISLAND HERITAGE TRUST P.O. BOX 42 DEAR ISLE, ME	GENERAL SUPPORT HISTORICAL CONSERVATION	200.00
6/22/2009	ASSOCIATION FOR SAFE INT'L ROAD TRAVEL 11769 GAINSBOROUGH ROAD POTOMAC, MD 20854	GENERAL SUPPORT PUBLIC SAFETY	4,000.00
6/25/2009	THE PHILADELPHIA ZOO 3400 WEST GIRARD AVENUE PHILADELPHIA, PA 19101	GENERAL SUPPORT ANIMAL WELFARE/ CONSERVATION	2,500.00
6/25/2009	THE PHILADELPHIA ZOO 3400 WEST GIRARD AVENUE PHILADELPHIA, PA 19101	GENERAL SUPPORT ANIMAL WELFARE/ CONSERVATION	1,500.00

PENCOYD FOUNDATION
EIN: 25-6613197
GRANTS
YEAR ENDED MARCH 31, 2010

<u>DATE</u>	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
6/30/2009	THE PHILADELPHIA MUSEUM OF ART P.O. BOX 7646 PHILADELPHIA, PA 19101	GENERAL SUPPORT CULTURAL ARTS	2,000.00
6/30/2009	ST. ANDREWS SOCIETY OF PHILADELPHIA FOUNDATION 215 SOUTH SIXTEENTH STREET PHILADELPHIA, PA 19102	GENERAL SUPPORT EDUCATION	250.00
7/1/2009	THE HAVERFORD SCHOOL 460 LANCASTER AVENUE HAVERFORD, PA 19041	GENERAL SUPPORT EDUCATION	1,500.00
7/2/2009	THE FRANCISVALE HOME FOR SMALLER ANIMALS UPPER GULPH AND ARDEN ROADS RADNOR, PA 19087	GENERAL SUPPORT ANIMAL WELFARE	500.00
7/15/2009	CAMP BILL-O-WOOD 91 KUTZ ROAD FLEETWOOD, PA 19522	GENERAL SUPPORT SOCIAL SERVICES	2,000.00
1/5/2010	THE GALAPAGOS CONSERVANCY 407 NORTH WASHINGTON STREET, SUITE 105 FALLS CHURCH, VA 22046	GENERAL SUPPORT CONSERVATION	500.00
1/6/2010	THE EPISCOPAL ACADEMY 1785 BISHOP WHITE DRIVE NEWTOWN SQUARE, PA 19073	GENERAL SUPPORT EDUCATION	1,000.00
1/7/2010	HEALTHY ISLAND PROJECT 43 SCHOOL STREET STONINGTON, ME 04681	GENERAL SUPPORT SOCIAL SERVICES	250.00
1/14/2010	THE BACHELORS BARGE CLUB FOUNDATION 3800 CENTRE SQUARE WEST PHILADELPHIA, PA 19101	GENERAL SUPPORT	500.00
1/15/2010	ST. ANDREWS SOCIETY OF PHILADELPHIA FOUNDATION 215 SOUTH SIXTEENTH STREET PHILADELPHIA, PA 19102	GENERAL SUPPORT EDUCATION	500.00
		TOTAL DONATIONS	<u>34,750.00</u>

**THE PENCOYD FOUNDATIONS
SECURITIES SOLD
4/1/09-3/31/10**

# SHARES	SECURITY	DATE PURCHASED	DATE SOLD	PROCEEDS	COST	GAIN/LOSS	LT/ST
1000	CONSTELLATION ENERGY GROUP	12/18/2008	6/17/2009	21,624.91	19,550.00	2,074.91	S/T
310	WELLS FARGO AND COMPANY	1/28/2009	8/3/2009	7,300.00	5,934.95	1,365.05	S/T
1000	ALLERGAN INC. (PLUS ASSIGNED CALL)	VARIOUS	12/18/2009	60,864.42	15,349.50	45,514.92	L/T
1000	EXXON MOBIL CORPORATION	VARIOUS	1/25/2010	65,674.97	56,280.00	9,394.97	L/T
	EXXON MOBIL CORP CALL EXPIRED	1/12/2009	1/19/2010	480.30	0.00	480.30	S/T
239 464	LEGG MASON OPPORTUNITY TRUST	7/26/2007	3/4/2010	2,425.77	5,000.00	-2,574.23	L/T
57 939	LEGG MASON OPP. TRUST - (REINVESTED)	VARIOUS	3/4/2010	586.92	825.25	-238.33	L/T
1162,791	PRINCIPAL INVESTMENT INCOME FUND	1/7/2009	3/4/2010	10,779.07	10,000.00	779.07	L/T
230 924	TEMPLETON GLOBAL BOND FUND	12/3/2009	3/4/2010	3,000.00	2,958.14	41.86	S/T
			TOTALS	172,736.36	115,897.84	56,838.52	
	TOTAL SHORT TERM GAIN/LOSS			32,405.21	28,443.09	3,962.12	
	TOTAL LONG TERM GAIN/LOSS			140,331.15	87,454.75	52,876.40	
	TOTALS			172,736.36	115,897.84	56,838.52	

Application for Extension of Time To File an
Exempt Organization Return

► 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 ►
- 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 THE PENCOYD FOUNDATION U/A DTD 12/29/98	Employer identification number 25-6613197
	Number, street, and room or suite number. If a P.O. box, see instructions 234 PEMBROKE AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions WAYNE	PA 19087

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

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- The books are in the care of ► _____

Telephone No ► _____ 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 Nov 15, 20 10, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year 20 _____ or
- tax year beginning Apr 1, 20 09, and ending Mar 31, 20 10

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 \$ 0.
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 \$ 0.
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 \$ 0.

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.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 4-2009)