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

2011

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 2011, or tax year beginning Apr 1, 2011, and ending Mar 31, 2012

Name of foundation THE PENCLOYD 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	State ZIP code PA 19087	C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial Return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		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		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 628,610.	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)	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 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 (att sch)				
	2 <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	10,143.	10,143.	10,143.	
	5a Gross rents				
	b Net rental income or (loss)		L-6a Stmt		
	6a Net gain/(loss) from sale of assets not on line 10	13,391.			
	b Gross sales price for all assets on line 6a	230,131.			
	7 Capital gain net income (from Part-IV, line 2)		13,391.		
	8 Net short-term capital gain			0.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	23,534.	23,534.	10,143.		
ADMINISTRATIVE AND 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)	2,275.			
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule) (see instrs)	15.			
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
23 Other expenses (attach schedule)					
INVESTMENT EXPENSE	1,388.				
24 Total operating and administrative expenses. Add lines 13 through 23	3,678.				
25 Contributions, gifts, grants paid	40,031.			40,031.	
26 Total expenses and disbursements. Add lines 24 and 25	43,709.			40,031.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-20,175.				
b Net investment income (if negative, enter -0-)		23,534.			
c Adjusted net income (if negative, enter -0-)			10,143.		

4

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	186,920.	112,254.	112,254.
	3 Accounts receivable			
	Less allowance for doubtful accounts			
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach 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	128,371.	219,134.	402,534.
	c Investments – corporate bonds (attach schedule) L-10c Stmt	151,185.	114,913.	113,822.
	11 Investments – land, buildings, and equipment basis			
LIABILITIES	Less accumulated depreciation (attach schedule)			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule)			
	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 the instructions. Also, see page 1, item I)	466,476.	446,301.	628,610.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
NET ASSETS OR FUND BALANCES	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)			
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	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	466,476.	446,301.	
	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 instructions)	466,476.	446,301.	
	31 Total liabilities and net assets/fund balances (see instructions)	466,476.	446,301.	

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	466,476.
2 Enter amount from Part I, line 27a	2	-20,175.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	446,301.
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	446,301.

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	12/31/69	12/31/11
b	M. STANLEY/S. BARNEY (SEE LIST ATTACHED) S/T	P	01/01/11	12/31/11
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 116,425.		101,179.	15,246.
b 113,706.		115,561.	-1,855.
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.	15,246.
b			-1,855.
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>		2	13,391.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 </div>		3	-1,855.

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))
2010	42,150.	584,810.	0.072075
2009	34,750.	570,934.	0.060865
2008	50,600.	646,328.	0.078288
2007	367,595.	919,368.	0.399834
2006	324,672.	1,367,986.	0.237336

2 Total of line 1, column (d)	2	0.848398
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	0.169680
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	596,598.
5 Multiply line 4 by line 3	5	101,231.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	235.
7 Add lines 5 and 6	7	101,466.
8 Enter qualifying distributions from Part XII, line 4	8	40,031.

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

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see 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 instrs)			
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	471.
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	471.
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	471.
6 Credits/Payments			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	277.	
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	277.	
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> 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	194.	
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 2012 estimated tax	11		
Refunded			

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 the instructions for definition)?		X
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
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
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?		
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, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) PA – Pennsylvania		
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 2011 or the taxable year beginning in 2011 (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

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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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>HOWARD R. MORGAN</u> Telephone no <u>(610) 254-9686</u> Located at <u>234 PEMBROKE AVENUE, WAYNE, PENNSYLVANIA</u> ZIP + 4 <u>19087</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country <u></u>				

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

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	
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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>	<input type="checkbox"/> 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 instructions)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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 2011 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 2011)	3b	
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 2011?	4b	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)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

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

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?

If 'Yes' to 6b, file Form 8870

☐ Yes ☒ No**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?**5b****6b****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.
ELIZABETH T. MORGAN 234 PEMBROKE AVENUE WAYNE PA 19087	TRUSTEE	0.00	0.	0.
H. RANDALL MORGAN JR. 11515 GAUGUIN LANE POTOMAC MD 20854	TRUSTEE	0.00	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

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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 (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
NONE		0
NONE		0
NONE		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	

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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	526,682.
b	Average of monthly cash balances	1b	79,001.
c	Fair market value of all other assets (see instructions)	1c	0.
d	Total (add lines 1a, b, and c)	1d	605,683.
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	605,683.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	9,085.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	596,598.
6	Minimum investment return. Enter 5% of line 5	6	29,830.

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	29,830.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	471.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	471.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	29,359.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	29,359.
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	29,359.

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	40,031.
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	40,031.
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	40,031.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				29,359.
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			28,860.	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2011:				
a From 2006	258,874.			
b From 2007	367,842.			
c From 2008	50,600.			
d From 2009	34,750.			
e From 2010	42,150.			
f Total of lines 3a through e	754,216.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 40,031.				
a Applied to 2010, 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 2011 distributable amount				
e Remaining amount distributed out of corpus	40,031.			
5 Excess distributions carryover applied to 2011 (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	794,247.			
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 2010. Subtract line 4a from line 2a. Taxable amount – see instructions			28,860.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				29,359.
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 2006 not applied on line 5 or line 7 (see instructions)	258,874.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	535,373.			
10 Analysis of line 9:				
a Excess from 2007	367,842.			
b Excess from 2008	50,600.			
c Excess from 2009	34,750.			
d Excess from 2010	42,150.			
e Excess from 2011	40,031.			

BAA

Form 990-PF (2011)

N/A

- 4942(j)(5)

- (4) Gross investment income**

[illegible]

NONE

Part VII Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i> SCHEDULE ATTACHED VARIOUS VARIOUS PA 00000		SCH.	SCHEDULE ATTACHED	40,031.
Total			▶ 3a	40,031.
<i>b Approved for future payment</i>				
Total			▶ 3b	

Name THE PENCOYD FOUNDATION U/A DTD 12/29/98 Employer Identification Number 25-6613197

Asset Information:

Description of Property	MORGAN STANLEY/SMITH BARNEY (SEE ATTACHED LIST)		
Date Acquired	Various	How Acquired	Purchased
Date Sold	Various	Name of Buyer	
Sales Price	230,131.	Cost or other basis (do not reduce by depreciation)	216,740.
Sales Expense		Valuation Method	
Total Gain (Loss)	13,391.	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:	

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 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"/> CARL G. MORGAN 526 MILLBROOK ROAD DEVON PA 19333	TRUSTEE 0.00	0.	0.	0.
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> ANNA E. MORGAN-CASSIDY 415 MIDLAND AVENUE WAYNE PA 19087	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:	End of Year	
	Book Value	Fair Market Value
2000 SHS. ALLERGAN INC.	30,699.	190,860.
1500 SHS. AQUA AMERICA INC.	26,758.	33,435.
1000 SHS. CHEVRON CORPORATION	89,559.	107,210.
300 SHS. SCHLUMBERGER LTD	24,079.	20,979.
2500 SHS. CITIGROUP FUND	24,057.	25,175.
2500 SHS. CITIGROUP FUND	23,982.	24,875.
Total	219,134.	402,534.

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

L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
300 SHS. PIMCO ENHANCED SHORT MATURITY FUND	30,557.	30,309.
3771.107 SHS TEMPLETON GLOBAL FUND	46,644.	49,667.
2112.7508 SHS. ING EMERGING MARKETS HIGH DIVIDEND	37,712.	33,846.
Total	114,913.	113,822.

PENCOYD FOUNDATION
EIN: 25-6613197
GRANTS
YEAR ENDED MARCH 31, 2012

<u>DATE</u>	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
5/9/2011	THE EPISCOPAL ACADEMY 1785 BISHOP WHITE DRIVE NEWTOWN SQUARE, PA 19073	GENERAL SUPPORT EDUCATION	3,000 00
5/17/2011	GETTYSBURG COLLEGE GETTYSBURG, PA	GENERAL SUPPORT EDUCATION	2,000 00
5/17/2011	THE PHILADELPHIA MUSEUM OF ART P.O. BOX 7646 PHILADELPHIA, PA 19101	GENERAL SUPPORT CULTURAL ARTS	2,000 00
5/19/2011	THE HAVERFORD SCHOOL 460 LANCASTER AVENUE HAVERFORD, PA 19041	GENERAL SUPPORT EDUCATION	3,000 00
5/24/2011	DARTMOUTH COLLEGE FUNDS HANOVER, NH	GENERAL SUPPORT EDUCATION	2,000 00
5/24/2011	ASSOCIATION FOR SALE INT'L ROAD TRAVEL 11769 GAINSBOROUGH ROAD POTOMAC, MD 20854	GENERAL SUPPORT PUBLIC SAFETY	1,000 00
5/25/2011	JEWISH FEDERATION OF GREATER WASHINGTON 6101 MONTROSE ROAD ROCKVILLE, MD 20852	GENERAL SUPPORT SOCIAL SERVICES	5,000 00
5/26/2011	THE CHARLES E SMITH JEWISH DAY SCHOOL 1901 EAST JEFFERSON STREET ROCKVILLE, MD 20852	GENERAL SUPPORT EDUCATION	1,800.00
5/26/2011	THE ISLAND HERITAGE TRUST P.O. BOX 42 DEER ISLE, ME 04627	GENERAL SUPPORT SOCIAL SERVICES	400.00
5/31/2011	THE EPISCOPAL ACADEMY 1785 BISHOP WHITE DRIVE NEWTOWN SQUARE, PA 19073	GENERAL SUPPORT EDUCATION	2,000.00
6/2/2011	THE STONINGTON OPERA HOUSE P.O. BOX 56 STONINGTON, ME 04681	GENERAL SUPPORT CULTURAL ARTS	2,500.00
6/6/2011	WESLEYAN UNIVERSITY 318 HIGH STREET MIDDLETOWN, CT 06459	GENERAL SUPPORT EDUCATION	1,831 00
6/13/2011	THE UNIVERSITY OF RICHMOND 28 WESTHAMPTON WAY	GENERAL SUPPORT EDUCATION	2,000.00

PENCOYD FOUNDATION
EIN: 25-6613197
GRANTS
YEAR ENDED MARCH 31, 2012

<u>DATE</u>	<u>ORGANIZATION</u> RICHMOND, VA 23173	<u>PURPOSE</u>	<u>AMOUNT</u>
6/14/2011	THE PHILADELPHIA MUSEUM OF ART P O. BOX 7646 PHILADELPHIA, PA 19101	GENERAL SUPPORT CULTURAL ARTS	2,000.00
7/11/2011	THE EPISCOPAL ACADEMY 1785 BISHOP WHITE DRIVE NEWTOWN SQUARE, PA 19073	GENERAL SUPPORT EDUCATION	2,000 00
7/11/2011	THE PHILADELPHIA ZOO 3400 WEST GIRARD AVENUE PHILADELPHIA, PA 19101	GENERAL SUPPORT ANIMAL WELFARE/ CONSERVATION	4,500 00
7/12/2011	MAIN LINE ANIMAL RESCUE P.O BOX 89 CHESTER SPRINGS, PA 19425	GENERAL SUPPORT ANIMAL WELFARE	250 00
7/12/2011	ALLEN BASS FOUNDATION CAMP BILL-A-WOOD 91 KUTZ ROAD FLEETWOOD, PA 19522	GENERAL SUPPORT SOCIAL SERVICES	500 00
7/18/2011	THE ISLAND COMMUNITY CENTER INC. 6 MEMORIAL LANE STONINGTON, ME 04627	GENERAL SUPPORT SOCIAL SERVICES	500 00
7/29/2011	FRANCISVALE HOME FOR SMALLER ANIMALS GULPH AND ARDEN ROADS RADNOR, PA 19087	GENERAL SUPPORT ANIMAL WELFARE	250.00
8/11/2011	THE ST ANDREWS SOCIETY OF PHILADELPHIA 1528 WALNUT STREET PHILADELPHIA, PA 19102	GENERAL SUPPORT SOCIAL SERVICES	500 00
9/12/2011	THE REACH PERFORMING ARTS CENTER 249 NORTH DEER ISLE ROAD DEER ISLE, ME 04627	GENERAL SUPPORT CULTURAL ARTS	500 00
11/17/2011	THE ISLAND COMMUNITY CENTER 6 MEMORIAL LANE STONINGTON, ME 04627	GENERAL SUPPORT SOCIAL SERVICES	500 00
TOTAL DONATIONS			<u><u>40,031.00</u></u>

**THE PENCLOYD FOUNDATION
SECURITIES
AT 3/31/12**

STOCKS/OPTIONS	DESCRIPTION	DATE ACQUIRED	COST
2000 ALLERGAN INC.		VARIOUS	30,699 00
1333 AQUA AMERICA INC		VARIOUS	22,910.00
167 AQUA AMERICA INC.		3/14/2012	3,848 21
500 CHEVRON CORPORATION		1/25/2010	37,380 97
500 CHEVRON CORPORATION		2/2/2012	52,177 73
300 SCHLUMBERGER LTD (24983 95 LESS 904 93 OPTION PREMS)		11/23/2011	24,079 02
2500 CITIGROUP FUND BASED ON F (943 08 OPTION PREMS)		11/22/2011	24,056.92
2500 CITIGROUP FUND BASED ON SLB (1,018 32 OPTION PREMS)		11/22/2011	23,981 68
	TOTAL STOCKS		219,133.53
 BONDS/FUNDS			
1458 846 TEMPLETON GLOBAL FUND		7/10/2009	17,316 50
1216 545 TEMPLETON GLOBAL FUND		9/14/2009	15,000.00
549 716 TEMPLETON GLOBAL FUND		12/3/2009	7,041 86
549 TEMPLETON GLOBAL FUND		3/10/2010	7,285 23
300 PIMCO ENHANCED STRATEGY FUND		2/16/2011	30,557.32
2000 ING EMERGING MARKETS HIGH DIVIDEND		7/5/2011	36,108 17
112 7508 ING EMERGING MARKETS REINVESTED		VARIOUS	1,603 35
	TOTAL BONDS/FUNDS		114,912.43
	TOTAL SECURITIES		<u>334,045.96</u>

THE PENCOYD FOUNDATION

SECURITIES SOLD

4/1/11-3/31/12

# SHARES	SECURITY	DATE PURCHASED	DATE SOLD	PROCEEDS	COST	GAIN/LOSS	LT/ST
500	PIMCO ENHANCED SHORT MATURITY	4/6/2011	6/7/2011	50,292.98	51,126.39	-833.41	S/T
100	PIMCO ENHANCED SHORT MATURITY	2/16/2011	7/21/2011	10,003.80	10,185.77	-181.97	S/T
0 4	CBS CORPORATION - CASH IN LIEU	11/23/2011	11/23/2011	9.37	10.13	-0.76	S/T
948	CBS CORPORATION (24,989.87 LESS 989.53 OPTION PREMS.)	11/23/2011	11/30/2011	24,335.38	24,000.34	335.04	S/T
-3	CHEVRON CORPORATION - CALL EXPIRED	10/11/2011	11/21/2011	832.85	0.00	832.85	S/T
0 2	SCHLUMBERGER LTD - CASH IN LIEU	11/23/2011	11/23/2011	13.30	16.05	-2.75	S/T
500	CHEVRON CORPORATION	1/25/2010	1/20/2012	53,189.69	37,380.98	15,808.71	L/T
600	PIMCO ENHANCED SHORT MATURITY	2/16/2011	2/28/2012	59,918.90	61,114.64	-1,195.74	L/T
226.074	TEMPLETON GLOBAL BOND FUND	7/10/2009	2/7/2012	3,000.00	2,683.50	316.50	L/T
400	ROYAL DUTCH SHELL	2/28/2012	3/22/2012	28,167.72	30,222.60	-2,054.88	S/T
	TOTALS			<u>229,763.99</u>	<u>216,740.40</u>	<u>13,023.59</u>	
	TOTAL SHORT TERM GAIN/LOSS			113,655.40	115,561.28	-1,905.88	
	TOTAL LONG TERM GAIN/LOSS			116,108.59	101,179.12	14,929.47	
	TOTALS			<u>229,763.99</u>	<u>216,740.40</u>	<u>13,023.59</u>	