Form 990-PF

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2009

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

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

Use the IRS label Otherwise, print or type See Specific Instructions

Name of foundation: THE HARRY A. AND MARGARET D. TOWSLEY FOUNDATION

A Employer identification number: 38-6091798

Number and street (or P O box number if mail is not delivered to street address): 240 WEST MAIN — Room/suite: 2300

B Telephone number: (989)837-1100

City or town, state, and ZIP code: MIDLAND, MI 48640

C If exemption application is pending, check here ☐
D 1 Foreign organizations, check here ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ☐

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 41,879,640.

J Accounting method: ☒ Cash ☐ Accrual ☐ 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 ☐

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)
Revenue	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	34,445.	34,445.		STATEMENT 2
	4 Dividends and interest from securities	1,074,004.	1,074,004.		STATEMENT 3
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	133,976.			STATEMENT 1
	b Gross sales price for all assets on line 6a 2,328,685.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	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)				
	11 Other income	<170,862.>	<170,862.>		STATEMENT 4
	12 **Total** Add lines 1 through 11	1,071,563.	937,587.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages	11,673.	0.		11,673.
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 5	20,445.	0.		20,445.
	c Other professional fees STMT 6	31,180.	9,699.		21,481.
	17 Interest				
	18 Taxes STMT 7	4,681.	3,788.		893.
	19 Depreciation and depletion				
	20 Occupancy	14,338.	0.		14,338.
	21 Travel, conferences, and meetings	1,245.	0.		1,245.
	22 Printing and publications	611.	0.		611.
	23 Other expenses STMT 8	8,791.	0.		11,167.
	24 **Total operating and administrative expenses** Add lines 13 through 23	92,964.	13,487.		81,853.
	25 Contributions, gifts, grants paid	2,410,100.			2,410,100.
	26 **Total expenses and disbursements.** Add lines 24 and 25	2,503,064.	13,487.		2,491,953.
	27 Subtract line 26 from line 12.				
	a Excess of revenue over expenses and disbursements	<1,431,501.>			
	b **Net investment income** (if negative, enter -0-)		924,100.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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02-02-10 LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Form 990-PF (2009)

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	88,802.	312,535.	312,535.
	2 Savings and temporary cash investments	471,280.	1,325,909.	1,325,909.
	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 ▶			
	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			
	b Investments - corporate stock STMT 9	19,112,774.	16,776,704.	39,431,492.
	c Investments - corporate bonds STMT 10	499,212.	499,212.	575,743.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 11	407,754.	233,961.	233,961.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	20,579,822.	19,148,321.	41,879,640.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [ ] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	31,445,179.	31,445,179.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	<10,865,357.>	<12,296,858.>	
	30 Total net assets or fund balances	20,579,822.	19,148,321.	
	31 Total liabilities and net assets/fund balances	20,579,822.	19,148,321.	

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	20,579,822.
2	Enter amount from Part I, line 27a	2	<1,431,501.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	19,148,321.
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	19,148,321.

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	2,328,685.		2,194,709.	133,976.

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e	1,098,622.	2,908.	1,095,714.	<555,114.>

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 — <555,114.>

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 X 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	3,386,570.	54,367,750.	.062290
2007	3,058,690.	71,498,815.	.042780
2006	2,773,084.	66,190,528.	.041895
2005	2,902,743.	71,413,891.	.040647
2004	3,134,180.	68,427,342.	.045803

2	Total of line 1, column (d)	2	.233415
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	.046683
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	31,628,027.
5	Multiply line 4 by line 3	5	1,476,491.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	9,241.
7	Add lines 5 and 6	7	1,485,732.
8	Enter qualifying distributions from Part XII, line 4	8	2,491,953.

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)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b			1	9,241.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col. (b)				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3 Add lines 1 and 2			3	9,241.
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	9,241.
6 Credits/Payments:				
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	47,838.		
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	47,838.
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	38,597.
11 Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 38,597. **Refunded** ▶			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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		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?	1c		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*	2		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*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		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?	6	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*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MI			
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*	8b	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*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ WENDELL DUNBAR, CPA Telephone no. ▶ 734-994-7500

Located at ▶ 2929 PLYMOUTH ROAD, STE 350, ANN ARBOR, MI ZIP+4 ▶ 48105

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 X 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? (SEE ATTCHMT) ☒ 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)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).			
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes X No			
	If "Yes," list the years ▶ , , ,			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ , , ,			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes X 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	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 2009?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes X 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 [X] No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes [X] 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 X 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 [X] No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? N/A **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes No

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes X No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X (No)

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes X No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **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.

(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
SEE STATEMENT 12		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

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 N/A	
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.

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	32,045,833.
b	Average of monthly cash balances	1b	63,839.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	32,109,672.
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	32,109,672.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	481,645.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	31,628,027.
6	**Minimum investment return** Enter 5% of line 5	6	1,581,401.

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	1,581,401.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	9,241.		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	9,241.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	1,572,160.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	1,572,160.
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	1,572,160.

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	2,491,953.
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	2,491,953.
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	9,241.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	2,482,712.

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				1,572,160.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			2,417,396.	
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 ▶ $ 2,491,953.				
a Applied to 2008, but not more than line 2a			2,417,396.	
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				74,557.
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				1,497,603.
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) 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)

	Tax year	Prior 3 years			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

SEE STATEMENT 13

b The form in which applications should be submitted and information and materials they should include:

c Any submission deadlines:

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SCHEDULE ATTACHED - GRANTS PAID IN CASH IN 2009 - SCHEDULE ATTACHED	N/A	PUBLIC 501(C) (3)	FOR SUPPORT OF THE PROGRAM	2410100.
Total			▶ 3a	2410100.
b Approved for future payment				
SCHEDULE ATTACHED - GRANTS APPROVED IN 2009 FOR FUTURE PAYMENT - SCHEDULE ATTACHED	N/A	PUBLIC 501(C) (3)	FOR SUPPORT OF THE PROGRAM	4,700.
Total			▶ 3b	4,700.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
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			14	34,445.	
4 Dividends and interest from securities			14	1,074,004.	
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			14	<170,862.>	
8 Gain or (loss) from sales of assets other than inventory			18	133,332.	644.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0.		1,070,919.	644.

13 Total Add line 12, columns (b), (d), and (e) 13 1,071,563.

(See worksheet in line 13 instructions 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)
4	FUNDS FOR GRANT MAKING
8	FUNDS FOR GRANT MAKING
7	FUNDS FOR GRANT MAKING

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

Wendell Dunbar — 4/29/10 — TREASURER

Signature of officer or trustee — Date — Title

Paid Preparer's Use Only

Preparer's signature: Wendell Dunbar — Date: 4/29/10 — Check if self-employed ☐ — Preparer's identifying number: P00168511

Firm's name (or yours if self-employed), address, and ZIP code: DUNBAR & MARTEL, L.L.C CPA, 2929 PLYMOUTH ROAD, SUITE 350, ANN ARBOR, MI 48105

EIN 38-3122501

Phone no. (734)994-7500

Form **990-PF** (2009)

923622
02-02-10

Towsley Foundation
Balance Sheet
Cost Balances
Form 990 PF

Investment Accounts	Checking	Savings CD/MM	Bonds	Equities	Other	Check Total
Chem Bank Checking	312535					312535
Chem Bank Trust		1319605	499212	8359760		10178577
Chem Bank-Calls open				-132000		-132000
Vanguard 1/1 bal		6304		8548944		8555248
PNC- CLUT					0	0
Tri-Cygnet Global					233961	233961
Per 990PF	312535	1325909	499212	16776704	233961	**19148321**
					check cell	19148321

Vanguard equals beginning balance less $80,000 redemption. All income transferred monthly to Chem Bk

Market Values	Checking	Savings CD/MM	Bonds	Equities	Other	Check Total
Chem Bank Checking	312535					312535
Chem Bank Trust		1319605	350158	28101044		29770807
Chem Bank-Calls open				-37800		-37800
Vanguard 1/1 bal		6304		11516131		11522435
PNC-CLUT					77703	77703
Tri-Cygnet Global					233961	233961
Per 990PF	312535	1325909	350158	39579375	311664	**41879641**
					check cell	41879641

Income/gain/loss	Interest	Dividends	Other	ST gain	Lt gain	Total
Chem Bank Checking	0	0				0
Chem Bank Trust	33994	850891			131548	1016433
Chem Bank-Calls open						0
Vanguard	451	191829		644	1784	194708
PNC-CLUT		26337				26337
Tri-Cygnet Global	0	0	-173793			-173793
Lazard		2079	1165			3244
Sands		483				483
Brandes		1666	1766			3432
Schwab		719				719
Per 990PF	34445	1074004	-170862	644	133332	**1071563**
					check cell	1071563

Expenses	
Thru checking acct	75759
Thru Chemical Trust	19941
exp refds	-2736
Per 990PF	92964

THE HARRY A. AND MARGARET T. TOWSLEY FOUNDATION
Check Disbursements from 1/1/2009 - 12/31/2009

		Audit	13,500.00
		Supplies	838.99
		Rent	12,000.00
		Computer Expense	4,058.30
		Telephone	2,007.78
		Legal/Staate of MI	20.00
		Professional Fees	20,445.00
		Maintenance & Cleaning	330.00
		Meetings & Travel	1,245.00
		HRNI Acctg	1,886.20
		Net Payroll	10,149.63
		Payroll Taxes	2,416.84
		Printing	611.23
		Insurance	6,250.00
		TOTAL EXPENSES	$75,758.97
GRANTS PAID			
9/1/2009	1523	COUNCIL OF MICHIGAN FOUNDATIONS	4,700.00
12/15/2009	1282	ALBION COLLEGE	190,000.00
12/15/2009	1283	ANN ARBOR TEEN CTR NEUTRAL ZONE	45,600.00
12/15/2009	1284	CARLETON COLLEGE	304,000.00
12/15/2009	1285	CHILD & FAMILY SERVICE OF NW MI	38,000.00
12/15/2009	1286	CORER HEALTH CTR	45,600.00
12/15/2009	1287	CULVER EDUCATIONAL FOUNDATION	190,000.00
12/15/2009	1288	CYSTINOSIS RESEARCH NETWORK	38,000.00
12/15/2009	1289	FINLANDIA UNVERSITY	41,800.00
12/15/2009	1290	FOOD GATHERERS	30,400.00
12/15/2009	1291	FRIENDS OF CLAUDE MOORE COLONIAL FARM	171,000.00
12/15/2009	1292	VOID	0.00
12/15/2009	1293	GRAND TRAVERSE BAY YMCA	19,000.00
12/15/2009	1294	GRAND TRAVERSE REGIONAL LAND CONSERVANCY	19,000.00
12/15/2009	1295	GREENHILLS SCHOOL	19,000.00
12/15/09	1296	HELEN HAYES AWARDS	87,400.00
12/15/2009	1297	HUMANE SOCIETY OF HURON VALLEY	38,000.00
12/15/2009	1298	INTERLOCHEN CTR FOR THE ARTS	76,000.00
12/15/2009	1299	MADONNA UNIVERSITY	76,000.00
12/15/2009	1300	MICHIGAN STATE UNIVERSITY	152,000.00
12/15/2009	1301	MIDMICHIGAN MEDICAL CTR MIDLAND	7,600.00
12/15/2009	1302	MUNSON HEALTHCARE REGIONAL FDN	19,000.00
12/15/2009	1303	OLIVET COLLEGE	19,000.00
12/15/2009	1304	ST. JOSEPH MERCY HEALTH SYSTEM	228,000.00
12/15/2009	1305	STARR COMMONWEALTH SCHOOL	76,000.00
12/15/2009	1306	KELLOGG EYE CENTER	228,000.00
12/15/2009	1307	U OF M SCHOOL OF MUSIC	228,000.00
12/15/2009	1308	WEST MIDLAND FAMILY CTR.	19,000.00
		TOTAL GRANTS	$2,410,100.00
		TOTAL CHECK DISBURSEMENTS	$2,485,858.97

Payments Reconciliation Report

Paid Date was in last year

4/26/2010

Check Number	Check Payable to:	Grant Amount	Payment Date	Payment Amount	Payment Fund / Payment Type	Request ID Ref. No.
Paid						
1282	Albion College 611 East Porter Street Albion, Michigan 49224	$1,500,000.00	12/15/2009	$190,000.00	Foundation *Cash*	1217
1283	The Ann Arbor Teen Center: Neutral Zone 310 E. Washington Street Ann Arbor, Michigan 48104-2010	$300,000.00	12/15/2009	$45,600.00	Foundation *Cash*	1487
1284	Carleton College One North College Street Northfield, Minnesota 55057-4010	$2,000,000.00	12/15/2009	$304,000.00	Foundation *Cash*	1443
1285	Child and Family Services of Northwestern Michigan 3785 Veterans Drive Traverse City, Michigan 49684	$150,000.00	12/15/2009	$38,000.00	Foundation *Cash*	1659
1286	The Corner Health Center 47 N. Huron Ypsilanti, Michigan 48197	$300,000.00	12/15/2009	$45,600.00	Foundation *Cash*	1621
1287	The Culver Educational Foundation 1300 Academy Road Culver, IN 46511-1291	$1,000,000.00	12/15/2009	$190,000.00	Foundation *Cash*	1362
1288	Cystinosis Research Network 302 Whytegate Court Lake Forest, IL 60045	$150,000.00	12/15/2009	$38,000.00	Foundation *Cash*	1577

Check Number	Check Payable to:	Grant Amount	Payment Date	Payment Amount	Payment Fund Payment Type	Request ID Ref. No.
1289	Finlandia University 601 Quincy Street Hancock, MI 49930	$110,000.00	12/15/2009	$41,800.00	Foundation *Cash*	1514
1290	Food Gatherers P.O. Box 131037 Ann Arbor, Michigan 48113	$200,000.00	12/15/2009	$30,400.00	Foundation *Cash*	1214
1291	Friends of The Claude Moore Colonial Farm at Turkey Run, Inc. 6310 Georgetown Pike McLean, VA 22101	$650,000.00	12/15/2009	$171,000.00	Foundation *Cash*	1628
1293	Grand Traverse Bay YMCA 3000 Racquet Club Drive Traverse City, Michigan 49684	$100,000.00	12/15/2009	$19,000.00	Foundation *Cash*	1631
1294	Grand Traverse Regional Land Conservancy 3860 North Long Lake Road Suite D Traverse City, Michigan 49684-9601	$50,000.00	12/15/2009	$19,000.00	Foundation *Cash*	1555
1295	Greenhills School 850 Greenhills Drive Ann Arbor, MI 48105	$125,000.00	12/15/2009	$19,000.00	Foundation *Cash*	1663
1296	The Helen Hayes Awards 2233 Wisconsin Avenue, NW Suite 300 Washington, DC 20007	$575,000.00	12/15/2009	$87,400.00	Foundation *Cash*	1629
1297	Humane Society of Huron Valley 3100 Cherry Hill Road Ann Arbor, Michigan 48105	$250,000.00	12/15/2009	$38,000.00	Foundation *Cash*	1596

Check Number	Check Payable to:	Grant Amount	Payment Date	Payment Amount	Payment Fund Payment Type	Request ID Ref. No.
1298	Interlochen Center For The Arts P.O. Box 199 Interlochen, Michigan 49643-0199	$500,000.00	12/15/2009	$76,000.00	Foundation *Cash*	1664
1299	Madonna University 36600 Schoolcraft Road Livonia, Michigan 48150-1173	$400,000.00	12/15/2009	$76,000.00	Foundation *Cash*	1582
1300	Michigan State University University Development 300 Spartan Way East Lansing, Michigan 48824-1005	$1,000,000.00	12/15/2009	$152,000.00	Foundation	1584
1301	MidMichigan Medical Center-Midland 4005 Orchard Drive Midland, Michigan 48670	$50,000.00	12/15/2009	$7,600.00	Foundation *Cash*	1136
1302	Munson HealthCare Regional Foundation 210 Beaumont Place Traverse City, Michigan 49684-2386	$100,000.00	12/15/2009	$19,000 00	Foundation *Cash*	1524
1303	Olivet College President's Office Olivet, Michigan 49076	$50,000.00	12/15/2009	$19,000.00	Foundation	1587
1304	Saint Joseph Mercy Health System 5301 East Huron River Drive Post Office Box 995 Ann Arbor, Michigan 48106-0995	$1,500,000.00	12/15/2009	$228,000.00	Foundation *Cash*	1525
1305	Starr Commonwealth Schools 13725 Starr Commonwealth Road Albion, Michigan 49224-9580	$500,000.00	12/15/2009	$76,000.00	Foundation *Cash*	1257

Check Number	Check Payable to:	Grant Amount	Payment Date	Payment Amount	Payment Fund Payment Type	Request ID Ref. No.
1306	University of Michigan Kellogg Eye Center 1000 Wall Street Ann Arbor, Michigan 48105	$1,500,000.00	12/15/2009	$228,000.00	Foundation *Cash*	1516
1307	The University of Michigan School of Music 2300 Earl V. Moore Bldg. Ann Arbor, MI 48109-2085	$1,500,000.00	12/15/2009	$228,000.00	Foundation *Cash*	1346
1308	West Midland Family Center 4011 West Isabella Road (M-20) Shepherd, Michigan 48883	$100,000.00	12/15/2009	$19,000.00	Foundation *Cash*	1642
1523	Council of Michigan Foundations One South Harbor Avenue Suite 3 Grand Haven, MI 49417	$4,700.00	9/1/2009	$4,700.00	Foundation	1738
			Total Paid (27 items)	$2,410,100.00		
			Grand Total (27 items)	$2,410,100.00		

Grants - Alpha List, by Fiscal Year

Approval Date 2008

4/26/2010

Organization / Project Title	Grant Amount	Paid To Date	Type / Status	Grant Date
Education				
Council of Michigan Foundations Grand Haven, MI *2009 Membership Dues*	$4,700.00	$4,700.00	Cash Grants *Active Grant*	8/15/2009
Total Education (1 item)	$4,700.00	$4,700.00		
Grand Total (1 item)	$4,700.00	$4,700.00		

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	158,000 SH DOW CHEMICAL	D	12/18/61	/ /18
b	DODGE & COX GLOBAL FD	P	VARIOUS	VARIOUS
c	DODGE & COX GLOBAL FD	P	07/02/08	08/03/09
d	DODGE & COX GLOBAL FD	P	12/28/07	11/23/09
e	VANGUARD FUNDS	P	VARIOUS	VARIOUS
f	VANGUARD FUNDS	P	VARIOUS	VARIOUS
g	CAPITAL GAINS DIVIDENDS			
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	1,124,306.		435,216.	689,090.
b	880,000.		1,342,780.	<462,780.>
c	220,000.		267,977.	<47,977.>
d	100,000.		148,736.	<48,736.>
e	644.			644.
f	1,784.			1,784.
g	1,951.			1,951.
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			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a	1,098,622.	2,908.	1,095,714.	0.
b				<462,780.>
c				<47,977.>
d				<48,736.>
e				644.
f				1,784.
g				1,951.
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	<555,114.>
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

923591
04-24-09

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
158,000 SH DOW CHEMICAL		12/18/61	/ /18

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,124,306.	435,216.	0.	0.	689,090.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
DODGE & COX GLOBAL FD	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
880,000.	1,342,780.	0.	0.	<462,780.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
DODGE & COX GLOBAL FD	PURCHASED	07/02/08	08/03/09

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
220,000.	267,977.	0.	0.	<47,977.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
DODGE & COX GLOBAL FD	PURCHASED	12/28/07	11/23/09

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
100,000.	148,736.	0.	0.	<48,736.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD FUNDS	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
644.	0.	0.	0.	644.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD FUNDS	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,784.	0.	0.	0.	1,784.

CAPITAL GAINS DIVIDENDS FROM PART IV	1,951.
TOTAL TO FORM 990-PF, PART I, LINE 6A	133,976.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
CHEMICAL BANK	33,994.
VANGUARD FDS	451.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	34,445.

Towsley Foundation
2009 Form 990 PF
12/31/1969 Basis Adjustment

On 12/31/69 there were	$76,300
These became through	
variious splits	$932,700
158000 shares now equals	
12925 shares on 12/31/69	
FMV of 12,925 shs on 12/69	$1,098,622
Cost basis now $2.75	
Adjusted cost basis .224965	
Cost basis on 12/69	$2,908
Basis adjustment	$1,095,714

Avg Balances of Securities

Month	Vanguard	Chemical Bk	Total
Jan	7989621	17246504	25236125
Feb	7223129	11257300	18480429
Mar	7840901	13753328	21594229
Apr	8800888	20696816	29497704
May	9659135	19733167	29392302
June	9502523	21324108	30826631
July	10272965	22496240	32769205
Aug	10565533	26268938	36834471
Sept	11179752	30412911	41592663
Oct	10879850	28333308	39213158
Nov	11268455	32152911	43421366
Dec	11522435	30044670	41567105

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CHEMICAL BANK AGENCY	850,891.	0.	850,891.
CITIBANK ACCT	1,666.	0.	1,666.
LAZARD ACCT	2,079.	0.	2,079.
SANDS CAPITAL ACCT	483.	0.	483.
SCHWAB ACCT	719.	0.	719.
SECURITY LITIGATION	1,951.	1,951.	0.
UNITRUST INCOME	26,337.	0.	26,337.
VANGUARD FDS	191,829.	0.	191,829.
TOTAL TO FM 990-PF, PART I, LN 4	1,075,955.	1,951.	1,074,004.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
LOSS ON TRICYNET - K-1	<173,793.>	<173,793.>	
MGT FEES REFUNDED	2,931.	2,931.	
TOTAL TO FORM 990-PF, PART I, LINE 11	<170,862.>	<170,862.>	

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DUNBAR/MARTEL, LLC	20,445.	0.		20,445.
TO FORM 990-PF, PG 1, LN 16B	20,445.	0.		20,445.

FORM 990-PF | OTHER PROFESSIONAL FEES | STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WRIGHT, GRIFFIN - AUDIT	13,500.	0.		13,500.
ADMINISTRATIVE FEES - HRNI	1,886.	0.		1,886.
AGENCY FEES	12,191.	6,096.		6,095.
OPTION COMMISSION	3,603.	3,603.		0.
TO FORM 990-PF, PG 1, LN 16C	31,180.	9,699.		21,481.

FORM 990-PF | TAXES | STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PAYROLL TAXES	893.	0.		893.
FOREIGN INCOME TAXES	3,788.	3,788.		0.
990 PF TAX - 2008 FINAL	<47,838.>	0.		0.
990 PF TAX - 2009 EST	47,838.	0.		0.
TO FORM 990-PF, PG 1, LN 18	4,681.	3,788.		893.

FORM 990-PF | OTHER EXPENSES | STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE EXPENSE	6,250.	0.		6,250.
COMPUTER EXPENSE	4,058.	0.		4,058.
OFFICE SUPPLIES	859.	0.		859.
MISCELLANEOUS EXPENSE REFUNDS	<2,376.>	0.		0.
TO FORM 990-PF, PG 1, LN 23	8,791.	0.		11,167.

FORM 990-PF CORPORATE STOCK STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SCHEDULE ATTACHED	16,908,704.	39,469,292.
CALL OPTIONS - OPEN	<132,000.>	<37,800.>
TOTAL TO FORM 990-PF, PART II, LINE 10B	16,776,704.	39,431,492.

FORM 990-PF CORPORATE BONDS STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SCHEDULE ATTACHED	499,212.	575,743.
TOTAL TO FORM 990-PF, PART II, LINE 10C	499,212.	575,743.

FORM 990-PF OTHER INVESTMENTS STATEMENT 11

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
TRI-CYGNET GLOBAL - K-1	COST	233,961.	233,961.
TOTAL TO FORM 990-PF, PART II, LINE 13		233,961.	233,961.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARGARET ANN RIECKER 2216 MAPLELEAF MIDLAND, MI 48640	CHAIR/TRUSTEE 4.00	0.	0.	0.
JUDITH D. RUMELHART 472 TOWSLEY LANE ANN ARBOR, MI 48105	VPRES/TRUSTEE 1.00	0.	0.	0.
LYNN T. WHITE 1415 GRADY RANDALL COURT MCLEAN, VA 22101	PRES/TRUSTEE 10.00	0.	0.	0.
WENDELL DUNBAR (SEE STMT ATTACHED) 3295 BLUETT ANN ARBOR, MI 48105	TREAS/TRUSTEE 4.00	0.	0.	0.
JENNIFER POTEAT-FLORES 4 GEDDES HEIGHTS ANN ARBOR, MI 48104	TRUSTEE 1.00	0.	0.	0.
MARGARET E. THOMPSON 4100 SILVERGRASS DRIVE, N.E. GRAND RAPIDS, MI 49525	TRUSTEE 1.00	0.	0.	0.
STEVEN RIECKER 2040 BOARDMAN PLAINS TRAVERSE CITY, MI 49686	TRUSTEE 1.00	0.	0.	0.
DAVID WINSTON INGLISH 1555 EL CAMINO DEL TEATRO LA JOLLA, CA 92037	TRUSTEE 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

Footnote to Schedule of Trustee's Compensation

Wendell Dunbar, CPA, a disqualified person, owns 50% of Dunbar & Martel, LLC. The LLC received $20,445 for accounting and tax services in 2009. These professional fees are disclosed in the operating and administrative expenses. No director or trustee fees are paid by the Towsley Foundation.

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 13
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

LYNN T. WHITE, PRESIDENT
240 WEST MAIN STREET
MIDLAND, MI 48640

TELEPHONE NUMBER

(989) 837-1100

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED "GRANT APPLICATION PROCEDURE".

ANY SUBMISSION DEADLINES

GRANTS TO BE CONSIDERED DURING THE CALENDAR YEAR SHOULD PREFERABLY BE RECEIVED PRIOR TO MARCH 31ST.

RESTRICTIONS AND LIMITATIONS ON AWARDS

SEE ATTACHED "GUIDELINES TO PROGRAM AID".