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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

OMB No. 1545-0052

2009Department 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 , 2009, and ending , 20

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

HAWLEY FAMILY FOUNDATION

A Employer identification number

84-1224613

Number and street (or P O box number if mail is not delivered to street address)

32065 CASTLE COURT

Room/suite

100

B Telephone number (see page 10 of the instructions)

(303) 674-5111

City or town, state, and ZIP code

EVERGREEN, COLORADO 80439Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 9,144,569**J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)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 ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐**Part I****Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check ☐ if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	226,534	226,534	226,534	
4 Dividends and interest from securities	61,764	61,764	61,764	
5a Gross rents	6,450	6,450	6,450	
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)		64,760		
8 Net short-term capital gain			159,942	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)	21,828	21,828	21,828	
12 Total. Add lines 1 through 11	316,576	381,336	476,518	
Operating and 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 schedule)				
c Other professional fees (attach schedule)				
17 Interest	43,618	43,618	43,618	
18 Taxes (attach schedule) (see page 14 of the instructions)	2,289	2,289	2,289	
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	487,691	487,691	487,691	
24 Total operating and administrative expenses. Add lines 13 through 23	533,598	533,598	533,598	
25 Contributions, gifts, grants paid	214,500			214,500
26 Total expenses and disbursements. Add lines 24 and 25	748,098	533,598	533,598	214,500
27 Subtract line 26 from line 12.				
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative, enter -0-)				
c Adjusted net income (if negative, enter -0-)				

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	152,774	72,285	72,285
	2	Savings and temporary cash investments			
	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 page 16 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		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)			
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment: basis ▶			
Liabilities		Less: accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	7,890,693	9,072,284	9,072,284
	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)	8,043,467	9,144,569	9,144,569
	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
Net Assets or Fund Balances	20	Loans from officers, directors, trustees, and 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			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see page 17 of the instructions)	8,043,467	9,144,569	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	8,043,467	9,144,569	

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	8,043,467
2	Enter amount from Part I, line 27a	2	
3	Other increases not included in line 2 (itemize) ▶	3	1,101,102
4	Add lines 1, 2, and 3	4	9,144,569
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	9,144,569

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 PASS THROUGH OF GAIN/LOSS FROM PARTNERSHIP			VARIOUS	VARIOUS
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a VARIOUS		VARIOUS	64,760
b			
c			
d			
e			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

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	64,760
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	3	159,942

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.

(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	369,995	7,922,815	.0467
2007	478,000	9,979,890	.0479
2006	460,000	10,003,689	.0460
2005	460,400	9,501,255	.0485
2004	453,000	9,517,728	.0476

2 Total of line 1, column (d)	2	.2367
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	.0473
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	9,007,401
5 Multiply line 4 by line 3	5	426,050
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	--
7 Add lines 5 and 6	7	426,050
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	214,500

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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 ☐ and enter 1% of Part I, line 27b	1		
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		
3	Add lines 1 and 2	3		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a		
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		
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		
11	Enter the amount of line 10 to be. Credited to 2010 estimated tax ☐ Refunded ☐	11		

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?		☒
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>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</i>		☒
c Did the foundation file Form 1120-POL for this year?		☒
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (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? <i>If "Yes," attach a detailed description of the activities.</i>		☒
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? <i>If "Yes," attach a conformed copy of the changes.</i>		☒
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		☒
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? <i>If "Yes," attach the statement required by General Instruction T.</i>		☒
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?	☒	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	☒	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶		
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? <i>If "No," attach explanation</i>	☒	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		☒
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		☒

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		N/A
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶	13	X	
14	The books are in care of ▶ <u>RHINO CAPITAL INC.</u> Telephone no. ▶ <u>303.674.5111</u> Located at ▶ <u>32065 CASTLE COURT, EVERGREEN, CO</u> ZIP+4 ▶ <u>80439</u>			
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? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b	N/A
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☒ Yes ☐ No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions.)	2b	
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 ☐ No		
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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

5a During the year did the foundation pay or incur any amount to:				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?		5b	N/A	
Organizations relying on a current notice regarding disaster assistance check here	☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes ☒ No			
If "Yes," attach the statement required by Regulations section 53.4945–5(d).				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		
If "Yes" to 6b, file Form 8870				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		7b		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MACDONALD HAWLEY 261 COLUMBINE LANE EVERGREEN, CO 80439	DIR, PRES TREAS	-0-	NONE	NONE
JAMES HAWLEY 4618 EMERSON AVE SOUTH MINNEAPOLIS, MN 55409	DIR, V.P., SEC	-0-	NONE	NONE

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3 Five highest-paid independent contractors for professional services** (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1	
2	
3	
4	

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

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

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see page 24 of the instructions)	1c	9,144,569
d	Total (add lines 1a, b, and c)	1d	9,144,569
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	9,144,569
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	137,168
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	9,007,401
6	Minimum investment return. Enter 5% of line 5	6	450,370

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	450,370
2a	Tax on investment income for 2009 from Part VI, line 5	2a	---
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	---
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	450,370
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	450,370
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	450,370

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	214,500
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	214,500
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	214,500

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				450,370
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			143,012	
b Total for prior years: 20____, 20____, 20____				
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	--			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ <u>214,500</u>				
a Applied to 2008, but not more than line 2a			143,012	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		--		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	--			
d Applied to 2009 distributable amount				71,488
e Remaining amount distributed out of corpus	--			
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	--			
b Prior years' undistributed income. Subtract line 4b from line 2b		--		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		--		
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		--		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			--	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				378,882
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	--			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	--			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	--			
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 page 27 of the instructions and Part VII-A, question 9)

1a 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			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a 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 page 28 of 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).)

N/A

- 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.

N/A

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 page 28 of the 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:

32065 CASTLE COURT, SUITE 100
MACDONALD HAWLEY EVERGREEN, CO 80439

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

N/A

- c** Any submission deadlines:

N/A

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

N/A

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

Recipient	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
Name and address (home or business)				
a Paid during the year SEE ATTACHED LIST.				
Total			▶	3a
b Approved for future payment				
Total			▶	3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions.)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue:					
a						
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		226,534			
4	Dividends and interest from securities		61,764			
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		6,450			
7	Other investment income		21,828			
8	Gain or (loss) from sales of assets other than inventory		64,760			
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)		381,336			
13	Total. Add line 12, columns (b), (d), and (e)					

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

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

[illegible]

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

Bank of America

Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118



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Page 1 of 4
Statement Period
12/01/09 through 12/31/09
E0 P PA 0A 48 0010613
Enclosures 0
Account Number 0039 4078 3552



04078 001 SCM999 I 34 0

HAWLEY FAMILY FOUNDATION INC
RHINO CAPITAL ATTN JAMES HECKER
32065 CASTLE CT STE 100
EVERGREEN CO 80439-3501

U.S. TRUST 

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Customer Service Information www.bankofamerica.com



For additional information or service, you may call
1-888-BUSINESS (1-888-287-4637)



Or you may write to:
Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

Bank of America would like to remind our small business account holders that accounts may not be used for illegal transactions, for example those prohibited by the Unlawful Internet Gambling Enforcement Act 31 U.S.C. Section 5361 et. seq.

HAWLEY FAMILY FOUNDATION INC

Page 2 of 4
 Statement Period
 12/01/09 through 12/31/09
 E0 P PA 0A 48
 Enclosures 0
 Account Number 0039 4078 3552

Deposit Accounts

Business Interest Checking

HAWLEY FAMILY FOUNDATION INC

Your Account at a Glance

Account Number	0039 4078 3552	Statement Beginning Balance	\$38,279.76
Statement Period	12/01/09 through 12/31/09	Amount of Deposits/Credits	\$130,001.11
Number of Deposits/Credits	2	Amount of Withdrawals/Debits	\$91,012.00
Number of Withdrawals/Debits	11	Statement Ending Balance	\$77,268.87
Number of Days in Cycle	31	Average Ledger Balance	\$130,493.60
		Service Charge	\$0.00

Interest Information

Amount of Interest Paid	\$1.11	Interest Paid Year-to-Date	\$18.71 ✓
Annual Percentage Yield Earned This Statement Period	0.01%	Withholding Year-to-Date	\$0.00

Deposits and Credits

Date Posted	Amount (\$)	Description	Bank Reference
12/01	130,000.00	Wire Type:Wire IN Date: 091201 Time:1526 Et Trn:2009120100277409 Seq:4398800335Jo/340795 Orig:The Rhino Fund Lllp ID:000796634921 Snd Bk:Jp Morgan Chase Bank, N A ID:0002 Pmt Det:Cap Of 09/ 12/01 Part W/D Contact Lori Helmer 612 336 8051	903712010277409
12/31	111	Interest Earned	

Withdrawals and Debits Checks

Check Number	Amount (\$)	Date Posted	Bank Reference	Check Number	Amount (\$)	Date Posted	Bank Reference
1036	20,000.00	12/21	813009692102002	1042	20,000.00	12/21	813004270644881
1037	20,000.00	12/21	813009792421971	1043	5,000.00	12/14	813005892236673
1038	5,000.00	12/21	813009692924321	1044	5,000.00	12/11	813006692735992
1039	5,000.00	12/16	813008992368804	1045	3,000.00	12/11	813006692735991
1041*	5,000.00	12/18	813009392582443	1046	3,000.00	12/16	813008892453828

* Gap in sequential check numbers

Other Debits

Date Posted	Amount (\$)	Description	Bank Reference
12/01	12.00	Wire Transfer Fee	903712010098003

HAWLEY FAMILY FOUNDATION INC

Page 3 of 4
Statement Period
12/01/09 through 12/31/09
E0 P PA 0A 48 0010615
Enclosures 0
Account Number 0039 4078 3552

Daily Ledger Balances

Date	Balance (\$)	Date	Balance (\$)	Date	Balance (\$)
12/01	168,267.76	12/16	147,267.76	12/31	77,268.87
12/11	160,267.76	12/18	142,267.76		
12/14	155,267.76	12/21	77,267.76		

Hawley Family Foundation
Contributions 2009
EIN 84-1224613

	Amount	Purpose of Contribution
Earth Island Institute 300 Broadway, Suite 28 San Francisco, CA 94133	1,200	Support "Save Japan Dolphins"
Alpine Rescue 1790 Hudson Street Denver, CO 80220	1,000	Equipment purchase and general operations
Earth Island Institute 2150 Allston Way, Suite 460 Berkeley, CA 94704	20,000	Support Marine Mammal Project in general, and Save Japan Dolphins specifically
Green House Scholars 1011 Walnut Street - 3rd Floor Boulder, Colorado 80302	10,000	Support leadership development for promising college-bound high school students
The Dolphin Project P O Box 224 Coconut Grove, Florida 33233	10,000	Support staff development
Minnesota Dance Theater 528 Hennepin Ave , 6th Floor Minneapolis, MN 55403	5,000	Support of MDT's operating budget
Corkscrew Swamp Sanctuary 375 Sanctuary Road West Naples, FL 34120	10,000	Land preservation and/or acquisition
Hazeldon Graduate School P O Box 11 Center City, MN 55012-0011	5,000	Support HGS's operating budget
Earth Island Institute 2150 Allston Way, Suite 460 Berkeley, CA 94704	10,000	Support volunteers involved with release of the movie "The Cove"
Alliance for a Sustainable Colorado	1,000	Support of operations
Society of the Four Arts 2 Four Arts Plaza Palm Beach, Florida 33480	10,000	Support of the "Speakers Program"
Preservation Foundation of Palm Beach 311 Peruvian Palm Beach, FL 33480	5,000	Support of operations
Earth Island Institute 2150 Allston Way, Suite 460 Berkeley, CA 94704	7,300	Support "Save Japan Dolphins"

Hawley Family Foundation
Contributions 2009

	Amount	Purpose of Contribution
cmDance.org 421 South Monaco Pkwy Denver, CO 80224	3,000	Expand area of interest and increase membership
Nature Conservancy 222 South Westmonte Drive, Suite 300 Altamonte Springs, FL 32714	10,000	Support the Caribbean Challenge
Conservancy of Southwest Florida 1450 Merrihue Drive Naples, Florida 34102	10,000	Land acquisition and/or preservation
The Ocean Foundation 1990 M Street NW, Suite 250 Washington, DC 20036	5,000	Support "Ocean Doctor's 50 Years-50 States-50 Speeches" Expedition Fund
Natural Resource Defense Council 40 West 20th Street New York, NY 10011	20,000	Preserve Yellowstone/Rocky Mtns, establish preserves, promote energy efficiencies
Augsberg College Susuki Foundation 2211 Riverside Avenue Minneapolis, Minnesota 55407	20,000	Enhance the educational program of the center
The Raptor Center 1365 Gortner Avenue St Paul, MN 55108	20,000	Operation support
Minnesota Land Trust 2356 University Ave West Suite 240 St Paul, MN 55114	5,000	Support conservation work in the Rainy Lake area
Project for Pride in Living 1035 East Franklin Ave South Minneapolis, MN 55404	5,000	Operation support
Loch Ness Learning 3816 Kipling Avenue Minneapolis, MN 55416	5,000	Operation support
Penny George Institution for Healing and Health Abbott Northwestern Hospital Foundation 800 East 28th Street Minneapolis, MN 55407	5,000	Operation support
Ocean Foundation 1990 M Street NW, Suite 250 Washington, DC 20036	3,000	Research regarding human generated noise in oceans

Hawley Family Foundation
Contributions 2009

	Amount	Purpose of Contribution
Mountain Area Land Trust P.O. Box 4063 Evergreen, CO 80439	3,000	Establishment of an endowment for MALT
Amazon Conservation Team 4211 North Fairfax Drive Arlington, VA 22203	5,000	ACT organizational development
2009 Contribution Total	----- 214,500	