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Form 990-PF

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

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning , 2009, 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 SETO FOUNDATION, C/O HAWAII COMMUNITY FOUNDATION | | A Employer identification number 99-0329759 |
| | Number and street (or P.O. box number if mail is not delivered to street address) | Room/suite | B Telephone number (see the instructions) (808) 566-5550 |
| | City or town | State ZIP code | C If exemption application is pending, check here <input type="checkbox"/> |
| | HONOLULU | HI 96813-2817 | D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |
| H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation <input type="checkbox"/> | | E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> | |
| I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 3,135,932. | | J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis) | |

| Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).) | | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|---|---|------------------------------------|---------------------------|-------------------------|---|
| REVENUE | 1 Contributions, gifts, grants, etc., received (att sch) | | | | |
| | 2 Check <input checked="" type="checkbox"/> if the foundn is not req to att Sch B | | | | |
| | 3 Interest on savings and temporary cash investments | | | | |
| | 4 Dividends and interest from securities | 107,312. | 107,312. | | |
| | 5a Gross rents | | | | |
| | b Net rental income or (loss) | | Part IV | | |
| | 6a Net gain/(loss) from sale of assets not on line 10 | -407,891. | | | |
| | b Gross sales price for all assets on line 6a | 4,729,199. | | | |
| | 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/(loss) (att sch) | | | | | |
| 11 Other income (attach schedule) | | | | | |
| FEDERAL EXCISE TAXES | | 4,163. | 0. | | |
| 12 Total. Add lines 1 through 11 | -296,416. | 107,312. | | | |
| ADMINISTRATIVE AND OPERATING EXPENSES | 13 Compensation of officers, directors, trustees, etc | | | | |
| | 14 Other employee salaries and wages | | | | |
| | 15 Pension plans, employee benefits | | | | |
| | 16a Legal fees (attach schedule) | | | | |
| | b Accounting fees (attach sch) L-16b Stmt | 3,762. | 0. | 3,762. | |
| | c Other prof fees (attach sch) L-16c Stmt | 47,246. | 22,246. | 25,000. | |
| | 17 Interest | | | | |
| | 18 Taxes (attach schedule) (see instr.) See Line 18 Stmt | 5,742. | 1,579. | 0. | |
| | 19 Depreciation (attach sch) and depletion | | | | |
| | 20 Occupancy | | | | |
| | 21 Travel, conferences, and meetings | | | | |
| | 22 Printing and publications | | | | |
| | 23 Other expenses (attach schedule) | | | | |
| | DUES & FEES | | 387. | 0. | 387. |
| | 24 Total operating and administrative expenses. Add lines 13 through 23 | 57,137. | 23,825. | 29,149. | |
| 25 Contributions, gifts, grants paid | 149,000. | | 149,000. | | |
| 26 Total expenses and disbursements. Add lines 24 and 25 | 206,137. | 23,825. | 178,149. | | |
| 27 Subtract line 26 from line 12: | | | | | |
| a Excess of revenue over expenses and disbursements | -502,553. | | | | |
| b Net investment income (if negative, enter -0) | | 83,487. | | | |
| c Adjusted net income (if negative, enter -0) | | | | | |

914

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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 |
| A S S E T S | 1 Cash — non-interest-bearing | | | |
| | 2 Savings and temporary cash investments | 165,173. | 95,773. | 95,773. |
| | 3 Accounts receivable ▶ | | | |
| | Less allowance for doubtful accounts ▶ | | | |
| | 4 Pledges receivable ▶ | | | |
| | Less allowance for doubtful accounts ▶ | | | |
| | 5 Grants receivable | | | |
| | 6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions) | | | |
| | 7 Other notes and loans receivable (attach sch) ▶ | | | |
| | Less allowance for doubtful accounts ▶ | | | |
| | 8 Inventories for sale or use | | | |
| | 9 Prepaid expenses and deferred charges | | | |
| | 10a Investments — U S and state government obligations (attach schedule) L-10a Stmt | 639,696. | 1,002,536. | 995,336. |
| | b Investments — corporate stock (attach schedule) L-10b Stmt | 2,367,380. | 1,386,577. | 1,400,614. |
| | c Investments — corporate bonds (attach schedule) L-10c Stmt | 0. | 494,410. | 488,881. |
| | 11 Investments — land, buildings, and equipment basis ▶ | | | |
| Less accumulated depreciation (attach schedule) ▶ | | | | |
| 12 Investments — mortgage loans | | | | |
| 13 Investments — other (attach schedule) L-13 Stmt | 460,764. | 151,164. | 155,328. | |
| 14 Land, buildings, and equipment basis ▶ | | | | |
| Less accumulated depreciation (attach schedule) ▶ | | | | |
| 15 Other assets (describe ▶) | | | | |
| 16 Total assets (to be completed by all filers — see instructions Also, see page 1, item I) | 3,633,013. | 3,130,460. | 3,135,932. | |
| L I A B I L I T I E S | 17 Accounts payable and accrued expenses | 0. | 0. | |
| | 18 Grants payable | | | |
| | 19 Deferred revenue | | | |
| | 20 Loans from officers, directors, trustees, & other disqualified persons | | | |
| | 21 Mortgages and other notes payable (attach schedule) | | | |
| | 22 Other liabilities (describe ▶) | | | |
| | 23 Total liabilities (add lines 17 through 22) | 0. | 0. | |
| N E T A S S E T S O R F U N D B A L A N C E S | 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. ▶ X | | | |
| | 27 Capital stock, trust principal, or current funds | 3,633,013. | 3,130,460. | |
| | 28 Paid-in or capital surplus, or land, building, and equipment fund | | | |
| | 29 Retained earnings, accumulated income, endowment, or other funds | | | |
| | 30 Total net assets or fund balances (see the instructions) | 3,633,013. | 3,130,460. | |
| | 31 Total liabilities and net assets/fund balances (see the instructions) | 3,633,013. | 3,130,460. | |

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 | 3,633,013. |
| 2 Enter amount from Part I, line 27a | 2 | -502,553. |
| 3 Other increases not included in line 2 (itemize) ▶ | 3 | |
| 4 Add lines 1, 2, and 3 | 4 | 3,130,460. |
| 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 | 3,130,460. |

Part IV Capital Gains and Losses for Tax on Investment Income

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company) | | (b) How acquired P — Purchase D — Donation | (c) Date acquired (month day year) | (d) Date sold (month, day, year) |
|--|--|--|---------------------------------------|-------------------------------------|
| 1a PUBLICLY TRADED SECURITIES #145-02070 | | | | |
| b PUBLICLY TRADED SECURITIES #145-02103 | | | | |
| c PUBLICLY TRADED SECURITIES #145-02105 | | | | |
| d PUBLICLY TRADED SECURITIES #145-02106 | | | | |
| e See Columns (a) thru (d) | | | | |

| (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 15,955. | | 21,027. | -5,072. |
| b 662,243. | | 689,525. | -27,282. |
| c 184,754. | | 409,904. | -225,150. |
| d 13,515. | | 26,747. | -13,232. |
| e See Columns (e) thru (h) | | 3,989,887. | -137,155. |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Gains (Column (h) gain minus column (k), but not less than -0) or Losses (from column (h)) |
|---|--------------------------------------|---|---|
| (i) Fair Market Value as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of column (i) over column (j), if any | |
| a | | | -5,072. |
| b | | | -27,282. |
| c | | | -225,150. |
| d | | | -13,232. |
| e See Columns (i) thru (l) | | | -137,155. |

| | | | | |
|---|--|--|----------|-----------|
| 2 Capital gain net income or (net capital loss) | <div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> | | 2 | -407,891. |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) | <div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8 </div> | | 3 | |

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

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

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

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

Yes ☐ No ☒

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

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

| (a) Base period years Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (column (b) divided by column (c)) |
|--|---------------------------------------|--|--|
| 2008 | 169,279. | 3,494,654. | 0.048439 |
| 2007 | 110,668. | 4,161,308. | 0.026595 |
| 2006 | 185,730. | 4,061,580. | 0.045729 |
| 2005 | 185,069. | 3,883,690. | 0.047653 |
| 2004 | 187,409. | 3,528,172. | 0.053118 |

| | | |
|--|----------|------------|
| 2 Total of line 1, column (d) | 2 | 0.221534 |
| 3 Average distribution ratio for the 5-year base period— divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years | 3 | 0.044307 |
| 4 Enter the net value of noncharitable use assets for 2009 from Part X, line 5 | 4 | 2,562,809. |
| 5 Multiply line 4 by line 3 | 5 | 113,550. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 835. |
| 7 Add lines 5 and 6 | 7 | 114,385. |
| 8 Enter qualifying distributions from Part XII, line 4 | 8 | 178,149. |

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

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

| | | | |
|--|----|--------|----------|
| 1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 | | | |
| Date of ruling or determination letter _____ (attach copy of letter if necessary - see instr.) | | | |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b | | 1 | 835. |
| c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b) | | | |
| 2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | | 2 | 0. |
| 3 Add lines 1 and 2 | | 3 | 835. |
| 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 | 835. |
| 6 Credits/Payments | | | |
| a 2009 estimated tax pmts and 2008 overpayment credited to 2009 | 6a | 4,163. | |
| b Exempt foreign organizations – tax withheld at source | 6b | | |
| c Tax paid with application for extension of time to file (Form 8868) | 6c | 0. | |
| d Backup withholding erroneously withheld | 6d | | |
| 7 Total credits and payments Add lines 6a through 6d | 7 | 4,163. | |
| 8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached | 8 | | |
| 9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed | 9 | | |
| 10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid | 10 | 3,328. | |
| 11 Enter the amount of line 10 to be Credited to 2010 estimated tax | 11 | 3,328. | Refunded |

Part VII-A Statements Regarding Activities

| | Yes | No |
|--|-----|----|
| 1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? | | X |
| b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? | | X |
| If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities | | |
| c Did the foundation file Form 1120-POL for this year? | | X |
| d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation (2) On foundation managers | | |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers | | |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities | | X |
| 3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes | X | |
| 4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year? | | X |
| b If 'Yes,' has it filed a tax return on Form 990-T for this year? | | |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T | | X |
| 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either | | |
| • By language in the governing instrument, or | | |
| • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | X | |
| 7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV | X | |
| 8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) | | |
| HI - Hawaii | | |
| b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation | X | |
| 9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If 'Yes,' complete Part XIV | | X |
| 10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses | | X |

BAA

Form 990-PF (2009)

Part VII-A Statements Regarding Activities Continued

| | | | | |
|----|---|----|---|---|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions) | 11 | | X |
| 12 | Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? | 12 | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u> | 13 | X | |
| 14 | The books are in care of <u>HAWAII COMMUNITY FOUNDATION</u> Telephone no <u>(808) 566-5538</u> Located at <u>1164 BISHOP STREET, SUITE 800, HONOLULU, HI</u> ZIP + 4 <u>96813-2817</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 <u>15</u> | | | |

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

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

| | | Yes | No |
|---|---|-----|----|
| 1 a During the year did the foundation (either directly or indirectly) | | | |
| (1) Engage in the sale or exchange, or leasing of property with a disqualified person? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> | | 1 b | X |
| c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009? | | 1 c | X |
| 2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)) | | | |
| a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see the instructions) | | 2 b | |
| c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> | | | |
| 3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b If 'Yes,' did it have excess business holdings in 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) | | 3 b | |
| 4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | | 4 a | 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? | | 4 b | X |

BAA

Form 990-PF (2009)

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☒ Yes ☐ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ Nob If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?Organizations relying on a current notice regarding disaster assistance check here ☐

5b X

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 ☒ Nob Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

If 'Yes' to 6b, file Form 8870

6b X

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 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 |
|---|--|---|---|---------------------------------------|
| DUDLEY S J SETO C/O HAWAII COMMUNITY FDN HONOLULU HI 96813 | CHAIRMAN/DIR 0.29 | 0. | 0. | 0. |
| CATHERINE M L SILVA C/O HAWAII COMMUNITY FDN HONOLULU HI 96813 | SECRETARY/DIR 0.25 | 0. | 0. | 0. |
| CYNTHIA M W HARTWELL C/O HAWAII COMMUNITY FDN HONOLULU HI 96813 | PRESIDENT/DIR 0.27 | 0. | 0. | 0. |
| See Information about Officers, Directors, Trustees, Etc | | 0. | 0. | 0. |

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

| (a) Name and address of each employee paid more than \$50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|---|--|------------------|---|---------------------------------------|
| NONE | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |

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

None

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

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

Part IX-A Summary of Direct Charitable Activities

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

| | Expenses |
|---|----------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |

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

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

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Form 990-PF (2009)

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

| | | |
|--|----|------------|
| 1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes | | |
| a Average monthly fair market value of securities | 1a | 2,270,146. |
| b Average of monthly cash balances | 1b | 331,691. |
| c Fair market value of all other assets (see instructions) | 1c | |
| d Total (add lines 1a, b, and c) | 1d | 2,601,837. |
| 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 | 2,601,837. |
| 4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions) | 4 | 39,028. |
| 5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 2,562,809. |
| 6 Minimum investment return. Enter 5% of line 5 | 6 | 128,140. |

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 | 128,140. |
| 2a Tax on investment income for 2009 from Part VI, line 5 | 2a | 835. | |
| b Income tax for 2009 (This does not include the tax from Part VI) | 2b | | |
| c Add lines 2a and 2b | | 2c | 835. |
| 3 Distributable amount before adjustments. Subtract line 2c from line 1 | | 3 | 127,305. |
| 4 Recoveries of amounts treated as qualifying distributions | | 4 | |
| 5 Add lines 3 and 4 | | 5 | 127,305. |
| 6 Deduction from distributable amount (see instructions) | | 6 | |
| 7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | | 7 | 127,305. |

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 | 178,149. |
| 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 | 178,149. |
| 5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions) | 5 | 835. |
| 6 Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 177,314. |

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.

BAA

Form 990-PF (2009)

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 | | | | 127,305. |
| 2 Undistributed income, if any, as of the end of 2009 | | | | |
| a Enter amount for 2008 only | | | 171,093. | |
| b Total for prior years 20__, 20__, 20__ | | | | |
| 3 Excess distributions carryover, if any, to 2009 | | | | |
| a From 2004 | 0. | | | |
| b From 2005 | 0. | | | |
| c From 2006 | 0. | | | |
| d From 2007 | 0. | | | |
| e From 2008 | 0. | | | |
| f Total of lines 3a through e | 0. | | | |
| 4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 178,149. | | | | |
| a Applied to 2008, but not more than line 2a | | | 171,093. | |
| b Applied to undistributed income of prior years (Election required — see instructions) | | | | |
| c Treated as distributions out of corpus (Election required — see instructions) | | | | |
| d Applied to 2009 distributable amount | | | | 7,056. |
| 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)) | | | | |
| 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 | | | | |
| d Subtract line 6c from line 6b Taxable amount — see instructions | | 0. | | |
| e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount — see instructions | | | 0. | |
| f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010 | | | | 120,249. |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) | | | | |
| 8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions) | 0. | | | |
| 9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a | 0. | | | |
| 10 Analysis of line 9 | | | | |
| a Excess from 2005 | 0. | | | |
| b Excess from 2006 | 0. | | | |
| c Excess from 2007 | 0. | | | |
| d Excess from 2008 | 0. | | | |
| e Excess from 2009 | 0. | | | |

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 <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5) | | | | | |
| 2 Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed | Tax year | Prior 3 years | | | (e) Total |
| | (a) 2009 | (b) 2008 | (c) 2007 | (d) 2006 | |
| 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 organization had \$5,000 or more in assets at any time during the year – see 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 ATTACHED POLICY

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

SEE ATTACHED POLICY

- c Any submission deadlines

SEE ATTACHED POLICY

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

SEE ATTACHED POLICY

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 | | | | |
| HAWAII FOODBANK 2611-A KILIAU STREET HONOLULU HI 96819 | N/A | 170 (b) (1) (A) (vi) | OPERATING SUPPORT | 10,000. |
| FAMILY PROMISE OF HAWAII 69 N. KAINALU DRIVE KAILUA HI 96734 | N/A | 170 (b) (1) (A) (vi) | OPERATING SUPPORT | 10,000. |
| HANAHAUOLI SCHOOL 1922 MAKIKI STREET HONOLULU HI 96822 | N/A | 170 (b) (1) (A) (ii) | CAROL SETO ENDOWED SCHOLARSHIP | 5,000. |
| IOLANI SCHOOL 563 KAMOKU STREET HONOLULU HI 96826 | N/A | 170 (b) (1) (A) (ii) | SETO SCHOLARSHIP | 10,000. |
| ADULT FRIENDS FOR YOUTH 3375 KOAPAKA STREET, SUITE B290 HONOLULU HI 96819 | N/A | 170 (b) (1) (A) (vi) | OPERATING SUPPORT | 5,000. |
| DOMESTIC VIOLENCE ACTION CENTER P.O. BOX 3198 HONOLULU HI 96801 | N/A | 170 (b) (1) (A) (vi) | TEEN ALERT PROGRAM | 5,000. |
| KOKUA KALIHI VALLEY COMP FAM SVCS 2239 N. SCHOOL STREET HONOLULU HI 96819 | N/A | 170 (b) (1) (A) (vi) | PUBLIC HOUSING ELDERLY PROGRAM | 5,000. |
| THE WINDWARD SPOUSE ABUSE SHELTER P.O. BOX 1955 KAILUA HI 96734 | N/A | 170 (b) (1) (A) (vi) | OPERATING SUPPORT | 10,000. |
| MOILIILI HONGWANJI MISSION 902 UNIVERSITY AVENUE HONOLULU HI 96826 | N/A | 170 (b) (1) (A) (i) | PROJECT DANA | 10,000. |
| See Line 3a statement | | | | 79,000. |
| Total | | | 3a | 149,000. |
| b Approved for future payment | | | | |
| HAWAII COMMUNITY FOUNDATION 1164 BISHOP STREET, SUITE 800 HONOLULU HI 96813 | N/A | 170 (b) (1) (A) (vi) | COMMUNITY STABILIZATION INITIATIVE | 30,000. |
| Total | | | 3b | 30,000. |

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 the instructions) |
|---|-------------------------|---------------------------|-------------------------------|--------------------------------------|-----------|---|
| | (a) Business code | (b) Amount | (c) Exclu- sion code | (d) Amount | | |
| 1 Program service revenue | | | | | | |
| a | | | | | | |
| b | | | | | | |
| c | | | | | | |
| d | | | | | | |
| e | | | | | | |
| f | | | | | | |
| g Fees and contracts from government agencies | | | | | | |
| 2 Membership dues and assessments | | | | | | |
| 3 Interest on savings and temporary cash investments | | | | | | |
| 4 Dividends and interest from securities | | | 14 | 107,312. | | |
| 5 Net rental income or (loss) from real estate | | | | | | |
| a Debt-financed property | | | | | | |
| b Not debt-financed property | | | | | | |
| 6 Net rental income or (loss) from personal property | | | | | | |
| 7 Other investment income | | | | | | |
| 8 Gain or (loss) from sales of assets other than inventory | | | 18 | -407,891. | | 0. |
| 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) | | | | -300,579. | | 0. |
| 13 Total. Add line 12, columns (b), (d), and (e) | | | | 13 | -300,579. | |

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

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

[illegible]

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

Line 18 Stmt

| Taxes (see the instructions) | Rev/Exp Book | Net Inv Inc | Adj Net Inc | Charity Disb |
|------------------------------|--------------|-------------|-------------|--------------|
| FEDERAL EXCISE TAXES | 4,163. | 0. | | 0. |
| FOREIGN TAXES | 1,579. | 1,579. | | 0. |
| Total | 5,742. | 1,579. | | 0. |

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (a) thru (d)

| (a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company) | (b) How acquired P-Purchase D-Donation | (c) Date acquired (month, day, year) | (d) Date sold (month, day, year) |
|--|---|---|---|
| PUBLICLY TRADED SECURITIES #145-02108 | | | |
| PUBLICLY TRADED SECURITIES #145-02619 | | | |
| PUBLICLY TRADED SECURITIES #1147600 | | | |
| PUBLICLY TRADED SECURITIES #1147601 | | | |
| PUBLICLY TRADED SECURITIES COST ADJUSTMENT | | | |

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (e) thru (h)

| (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) |
|--------------------------|--|---|--|
| 79,281. | | 115,009. | -35,728. |
| 18,351. | | 24,894. | -6,543. |
| 3,554,279. | | 3,663,911. | -109,632. |
| 200,821. | | 200,821. | 0. |
| 0. | | -14,748. | 14,748. |
| Total | | 3,989,887. | -137,155. |

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

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

| (i) Fair Market Value as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of column (i) over column (j), if any | (l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h)) |
|---|--------------------------------------|---|---|
| | | | -35,728. |
| | | | -6,543. |
| | | | -109,632. |
| | | | 0. |
| | | | 14,748. |
| Total | | | -137,155. |

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

Information about Officers, Directors, Trustees, Etc.

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|--|--|--|--|--|
| Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> KEITH K M SETO C/O HAWAII COMMUNITY FDN HONOLULU HI 96813 | VICE-PRES/DIR 0.23 | 0. | 0. | 0. |
| Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> CHERYL M W SETO C/O HAWAII COMMUNITY FDN HONOLULU HI 96813 | TREASURER/DIR 0.23 | 0. | 0. | 0. |
| Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> CAROL SETO C/O HAWAII COMMUNITY FDN HONOLULU HI 96813 | DIRECTOR 0.23 | 0. | 0. | 0. |

Total

0. 0. 0.

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

| Recipient Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Founda- tion status of re- cipient | Purpose of grant or contribution | Person or Business Checkbox Amount |
|--|--|--|--|--|
| a Paid during the year | | | | |
| THE EARLY SCHOOL 2510 BINGHAM STREET HONOLULU HI 96826 | N/A | 170(b) (1) (A) (ii) | GENERAL SUPPORT | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 5,000. |
| UNIVERSITY OF PUGET SOUND 1500 N. WARNER STREET, #1075 TACOMA WA 98416 | N/A | 170(b) (1) (A) (ii) | KATHY PHIBBS MEMORIAL SCHOLARSHIP FUND | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 5,000. |
| PUNAHOU SCHOOL 1601 PUNAHOU STREET HONOLULU HI 96822 | N/A | 170(b) (1) (A) (ii) | ANNUAL GRANT | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 5,000. |
| HOLY NATIVITY SCHOOL 5286 KALANIANA'OLE HWY HONOLULU HI 96825 | N/A | 170(b) (1) (A) (ii) | GENERAL SUPPORT | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 5,000. |
| HAWAII IMMIGRANT JUSTICE CENTER 245 N KUKUI STREET HONOLULU HI 96817 | N/A | 170(b) (1) (A) (vi) | OPERATING SUPPORT | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 5,000. |
| THE PATH CLINIC 845 22ND AVENUE HONOLULU HI 96816 | N/A | 170(b) (1) (A) (vi) | COMPREHENSIVE PERINATAL ADDICTION CLINIC | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 5,000. |

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

| Recipient Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Founda- tion status of re- cipient | Purpose of grant or contribution | Person or Business Checkbox Amount |
|---|--|--|--|---|
| a Paid during the year | | | | |
| WAIKIKI HEALTH CENTER 277 OHUA AVENUE HONOLULU HI 96815 | N/A | 170(b) (1)(A) (vi) | PROJECT YO | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 10,000. |
| ALOHA HARVEST 3599 WAIALAE AVE - PH HONOLULU HI 96816 | N/A | 170(b) (1)(A) (vi) | OPERATING SUPPORT | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 10,000. |
| KAUAI FOOD BANK, INC 3285 A WAAPA ROAD LIHUE HI 96766 | N/A | 170(b) (1)(A) (vi) | OPERATING SUPPORT | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 9,000. |
| AFTER-SCHOOL ALL-STARS 9255 SUNSET BLVD, STE 500 LOS ANGELES CA 90069 | N/A | 509 (a) (2) | OPERATING SUPPORT FOR HAWAII PROGRAM | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 5,000. |
| WESLEY UNITED METHODIST CHURCH 1350 HUNAKAI STREET HONOLULU HI 96816 | N/A | 170(b) (1)(A) (i) | SAMOA 2009 TSUNAMI MEDICAL MISSION | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 5,000. |
| HAWAII MEALS ON WHEELS, INC P.O. BOX 61194 HONOLULU HI 96839 | N/A | 170(b) (1)(A) (vi) | OPERATING SUPPORT | Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 10,000. |

Total

79,000.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

| Name of Provider | Type of Service Provided | Amount Paid Per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|---|
| ALIEN M. ARAKAKI, CPA | TAX RETURN PREP | 3,762. | 0. | | 3,762. |
| Total | | <u>3,762.</u> | <u>0.</u> | | <u>3,762.</u> |

Form 990-PF, Page 1, Part I

Line 16c - Other Professional Fees

| Name of Provider | Type of Service Provided | Amount Paid Per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|----------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|---|
| MERRILL LYNCH | INVEST SERVICE FEES | 14,360. | 14,360. | | 0. |
| HAWAII COMMUNITY FDN | GRANT ADMIN FEES | 25,000. | 0. | | 25,000. |
| FHB WEALTH MGMT | INVEST SERVICE FEES | 7,886. | 7,886. | | 0. |

Form 990-PF, Page 1, Part I

Continued

Line 16c - Other Professional Fees

| Name of Provider | Type of Service Provided | Amount Paid Per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|------------------|--------------------------|-----------------------|-----------------------|---------------------|---------------------------------------|
| | | | | | |
| Total | | <u>47,246.</u> | <u>22,246.</u> | | <u>25,000.</u> |

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

L-10a Stmt

| Line 10a - Investments - US and State Government Obligations: | End of Year | | End of Year | |
|---|--|---------------------------------|--------------------------------------|-------------------------------|
| | State and Local Obligations Book Value | State and Local Obligations FMV | US Government Obligations Book Value | US Government Obligations FMV |
| FHB WEALTH MGMT #114/600 SEE ATTACH | | | 1,002,536. | 995,336. |
| Total | | | <u>1,002,536.</u> | <u>995,336.</u> |

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

L-10b Stmt

| Line 10b - Investments - Corporate Stock: | End of Year | |
|--|-------------|-------------------------------------|
| | Book Value | Fair Market Value |
| FHB WEALTH MGMT #1147601 SEE ATTACHED STMT | 1,386,577. | 1,400,614. |
| Total | | <u>1,386,577.</u> <u>1,400,614.</u> |

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

L- 10c Stmt

| Line 10c - Investments - Corporate Bonds: | End of Year | |
|--|-------------|---------------------------------|
| | Book Value | Fair Market Value |
| FHB WEALTH MGMT #1147600 SEE ATTACHED STMT | 494,410. | 488,881. |
| Total | | <u>494,410.</u> <u>488,881.</u> |

Form 990-PF, Page 2, Part II, Line 13

L-13 Stmt

| Line 13 - Investments - Other: | End of Year | |
|--|-------------|---------------------------------|
| | Book Value | Fair Market Value |
| FHB WEALTH MGMT #1147601 P/S SEE ATTACHED STMT | 151,164. | 155,328. |
| Total | | <u>151,164.</u> <u>155,328.</u> |



First Hawaiian Bank

WEALTH MANAGEMENT GROUP

Asset Detail Section

Statement of Value & Activity

January 1, 2009 - December 31, 2009

Asset Detail

| Description | Shares/Par Value | Market Value | Cost Basis | Unrealized G/L | Est. Ann. Income | Current Yield |
|----------------------------------|------------------|--------------|-------------|----------------|------------------|---------------|
| <i>Fixed Income</i> | | | | | | |
| <i>US Government Securities</i> | | | | | | |
| Federal Home Loan Bank | 20,000.00 | \$20,181.20 | \$20,331.20 | -\$150.00 | \$1,000.00 | 4.95% |
| DTD 02/05/2007 5.000% 03/12/2010 | | | | | | |
| Non Callable | | | | | | |
| CUSIP: 3133XJUS5 | | | | | | |
| Federal Home Loan Bank | 65,000.00 | \$66,462.50 | \$66,734.85 | -\$272.35 | \$1,950.00 | 2.93% |
| DTD 03/10/2008 3.000% 12/10/2010 | | | | | | |
| Callable | | | | | | |
| CUSIP: 3133XQ6L1 | | | | | | |
| Federal Home Loan Bank | 15,000.00 | \$16,500.00 | \$16,845.00 | -\$345.00 | \$843.75 | 5.11% |
| DTD 06/13/2007 5.625% 06/09/2017 | | | | | | |
| Non Callable | | | | | | |
| CUSIP: 3133XLF81 | | | | | | |
| Federal Home Loan Bank | 25,000.00 | \$25,523.50 | \$25,554.99 | -\$31.49 | \$1,093.75 | 4.28% |
| DTD 07/13/2005 4.375% 07/13/2010 | | | | | | |
| Callable | | | | | | |
| CUSIP: 3133XCEQ2 | | | | | | |
| Federal Home Loan Bank | 10,000.00 | \$10,256.30 | \$10,322.40 | -\$66.10 | \$475.00 | 4.63% |
| DTD 08/22/2002 4.750% 08/13/2010 | | | | | | |
| CUSIP: 3133MRM2 | | | | | | |
| Federal Home Loan Mortgage Corp | 15,000.00 | \$15,986.85 | \$15,998.38 | -\$11.53 | \$637.50 | 3.99% |
| DTD 05/22/2003 4.250% 05/22/2013 | | | | | | |
| Callable | | | | | | |
| CUSIP: 3128X1EJ2 | | | | | | |

Asset Detail Section (continued)**Statement of Value & Activity**

January 1, 2009 - December 31, 2009

| Description | Shares/Par Value | Market Value | Cost Basis | Unrealized G/L | Est. Ann. Income | Current Yield |
|--|------------------|--------------|-------------|----------------|------------------|---------------|
| Federal Home Loan Mortgage Corp DTD 08/25/2009 3.625% 08/25/2014 Callable CUSIP: 3128X9CB4 | 30,000.00 | \$30,291.30 | \$30,465.00 | -\$173.70 | \$1,087.50 | 3.59% |
| Federal Home Loan Mortgage Corp Gold Pool #G03432-30 Yr Gtd Mtge DTD 10/01/2007 5.500% 11/01/2037 Non Callable CUSIP: 3128M5ED8 | 85,523.65 | \$89,688.65 | \$90,543.36 | -\$854.71 | \$4,703.80 | 5.24% |
| Federal National Mortgage Assn DTD 02/16/2007 5.550% 02/16/2017 Callable CUSIP: 31359M5G4 | 15,000.00 | \$15,089.10 | \$15,127.50 | -\$38.40 | \$832.50 | 5.52% |
| Federal National Mortgage Assn DTD 08/25/2009 3.500% 08/25/2014 Callable CUSIP: 31398AYW6 | 20,000.00 | \$20,143.80 | \$20,257.00 | -\$113.20 | \$700.00 | 3.47% |
| Federal National Mortgage Assn DTD 12/24/2009 2.125% 06/24/2013 Callable CUSIP: 3136FJYU9 | 10,000.00 | \$9,962.50 | \$10,040.00 | -\$77.50 | \$212.50 | 2.13% |
| Fedl Natl Mtge Assn Pool #190391 30 Yr Gtd Single Family Mortgage DTD 08/01/2008 6.000% 09/01/2038 Non Callable CUSIP: 31368HNG4 | 53,264.00 | \$56,468.36 | \$57,105.78 | -\$637.42 | \$3,195.84 | 5.66% |

Asset Detail Section (continued)

Statement of Value & Activity

January 1, 2009 - December 31, 2009

| Description | Shares/Par Value | Market Value | Cost Basis | Unrealized G/L | Est. Ann. Income | Current Yield |
|--|------------------|--------------|-------------|----------------|------------------|---------------|
| Fedl Natl Mtge Assn Pool #889579 30 Yr Gtd Single Family Mortgage DTD 05/01/2008 6.000% 05/01/2038 Non Callable CUSIP: 31410KJY1 | 84,788.05 | \$89,941.47 | \$88,504.76 | \$1,436.71 | \$5,087.28 | 5.66% |
| Fedl Natl Mtge Assn Pool #889982 30 Yr Gtd Single Family Mortgage DTD 10/01/2008 5.500% 11/01/2038 Non Callable CUSIP: 31410KXK5 | 10,178.46 | \$10,666.21 | \$10,919.08 | -\$252.87 | \$559.82 | 5.25% |
| Fedl Natl Mtge Assn Pool #930071 30 Yr Gtd Single Family Mortgage DTD 10/01/2008 6.000% 10/01/2038 Non Callable CUSIP: 31412NJQ0 | 22,274.87 | \$23,614.93 | \$25,199.73 | -\$1,584.80 | \$1,336.49 | 5.66% |
| Fedl Natl Mtge Assn Pool #992033 30 Yr Gtd Single Family Mortgage DTD 10/01/2008 6.000% 10/01/2038 Non Callable CUSIP: 31415XBA8 | 20,055.09 | \$21,261.60 | \$22,995.42 | -\$1,733.82 | \$1,203.31 | 5.66% |
| Fedl Natl Mtge Assn Pool #992144 30 Yr Gtd Single Family Mortgage DTD 10/01/2008 6.000% 10/01/2038 Non Callable CUSIP: 31415XER8 | 33,403.21 | \$35,412.75 | \$36,063.20 | -\$650.45 | \$2,004.19 | 5.66% |

Asset Detail Section (continued)

Statement of Value & Activity

January 1, 2009 - December 31, 2009

| <i>Description</i> | <i>Shares/Par Value</i> | <i>Market Value</i> | <i>Cost Basis</i> | <i>Unrealized G/L</i> | <i>Est. Ann. Income</i> | <i>Current Yield</i> |
|--|-------------------------|---------------------|-------------------|-----------------------|-------------------------|----------------------|
| Fedl Natl Mtge Assn Pool #995018 30 Yr Gtd Single Family Mortgage DTD 10/01/2008 5.500% 06/01/2038 Non Callable CUSIP: 31416BK72 | 5,197.21 | \$5,450.31 | \$5,579.87 | -\$129.56 | \$285.85 | 5.24% |
| Fedl Natl Mtge Assn Pool #995069 30 Yr Gtd Single Family Mortgage DTD 11/01/2008 6.000% 10/01/2038 Non Callable CUSIP: 31416BMS4 | 37,493.91 | \$39,749.54 | \$39,290.08 | \$459.46 | \$2,249.63 | 5.66% |
| <hr/> | | | | | | |
| <i>US Treasury Obligations</i> | | \$602,650.87 | \$607,877.60 | -\$5,226.73 | \$29,458.71 | |
| United States Treasury Notes DTD 11/15/2009 3.375% 11/15/2019 CUSIP: 912828LY4 | 50,000.00 | \$48,094.00 | \$50,136.72 | -\$2,042.72 | \$1,687.50 | 3.51% |
| United States Treasury Notes DTD 11/30/2009 0.750% 11/30/2011 CUSIP: 912828MM9 | 50,000.00 | \$49,674.00 | \$49,996.09 | -\$322.09 | \$375.00 | 0.75% |
| United States Treasury Notes DTD 11/30/2009 2.125% 11/30/2014 CUSIP: 912828LZ1 | 100,000.00 | \$97,633.00 | \$99,828.13 | -\$2,195.13 | \$2,125.00 | 2.18% |
| United States Treasury Notes DTD 11/30/2009 2.750% 11/30/2016 CUSIP: 912828MA5 | 50,000.00 | \$48,136.50 | \$49,365.24 | -\$1,228.74 | \$1,375.00 | 2.86% |

Asset Detail Section (continued)

Statement of Value & Activity

January 1, 2009 - December 31, 2009

| Description | Shares/Par Value | Market Value | Cost Basis | Unrealized G/L | Est. Ann. Income | Current Yield |
|----------------------------------|-------------------------|---------------------|-------------------|-----------------------|-------------------------|----------------------|
| United States Treasury Notes | 70,790.85 | \$72,881.30 | \$72,242.24 | \$639.06 | \$1,681.28 | 2.31% |
| Treasury Inflation Index | | | | | | |
| DTD 04/15/2006 2.375% 04/15/2011 | | | | | | |
| Non Callable | | | | | | |
| CUSIP: 912828FB1 | | | | | | |
| United States Treasury TIPS | 70,934.52 | \$76,265.96 | \$73,090.09 | \$3,175.87 | \$2,128.04 | 2.79% |
| Treasury Inflation Index | | | | | | |
| DTD 07/15/2002 3.000% 07/15/2012 | | | | | | |
| Non Callable | | | | | | |
| CUSIP: 912828AF7 | | | | | | |
| <hr/> | | | | | | |
| Corporate Bonds | | \$392,684.76 | \$394,658.51 | -\$1,973.75 | \$9,371.82 | |
| AT&T Wireless Services Inc | 15,000.00 | \$16,948.95 | \$17,185.95 | -\$237.00 | \$1,218.75 | 7.19% |
| DTD 04/16/2002 8.125% 05/01/2012 | | | | | | |
| CUSIP: 00209AAG1 | | | | | | |
| Bank of New York Mellon | 15,000.00 | \$15,786.90 | \$15,834.00 | -\$47.10 | \$645.00 | 4.09% |
| DTD 05/12/2009 4.300% 05/15/2014 | | | | | | |
| Non Callable | | | | | | |
| CUSIP: 06406HBL2 | | | | | | |
| Boeing Cap Corp | 10,000.00 | \$10,936.80 | \$11,000.00 | -\$63.20 | \$650.00 | 5.94% |
| DTD 11/9/2001 6.500% 02/15/2012 | | | | | | |
| CUSIP: 097014AG9 | | | | | | |
| Boeing Co | 15,000.00 | \$14,500.65 | \$14,759.55 | -\$258.90 | \$562.50 | 3.88% |
| DTD 11/20/2009 3.750% 11/20/2016 | | | | | | |
| Non Callable | | | | | | |
| CUSIP: 097023BC8 | | | | | | |

Asset Detail Section (continued)**Statement of Value & Activity**

January 1, 2009 - December 31, 2009

| Description | Shares/Par Value | Market Value | Cost Basis | Unrealized G/L | Est. Ann. Income | Current Yield |
|--|------------------|--------------|-------------|----------------|------------------|---------------|
| Bristol-Myers Squibb DTD 05/01/2008 5.450% 05/01/2018 Non Callable CUSIP: 110122AR9 | 10,000.00 | \$10,695.50 | \$10,798.40 | -\$102.90 | \$545.00 | 5.10% |
| Bunge Limited Finance Co DTD 06/09/2009 8.500% 06/15/2019 Non Callable CUSIP: 120568AT7 | 30,000.00 | \$34,197.30 | \$34,795.80 | -\$598.50 | \$2,550.00 | 7.46% |
| Capital One Financial Co DTD 05/22/2009 7.375% 05/23/2014 Non Callable CUSIP: 14040HAS4 | 15,000.00 | \$16,983.45 | \$17,075.10 | -\$91.65 | \$1,106.25 | 6.51% |
| Citigroup Inc DTD 08/19/2008 6.500% 08/19/2013 Non Callable CUSIP: 172967EU1 | 30,000.00 | \$31,955.70 | \$32,217.15 | -\$261.45 | \$1,950.00 | 6.10% |
| Clorox Company DTD 11/09/2009 3.550% 11/01/2015 Non Callable CUSIP: 189054AR0 | 10,000.00 | \$9,886.40 | \$9,983.00 | -\$96.60 | \$355.00 | 3.59% |
| Continental Airlines Inc DTD 07/01/2009 9.000% 07/08/2016 Non Callable CUSIP: 21079TAA6 | 5,000.00 | \$5,300.00 | \$5,318.75 | -\$18.75 | \$450.00 | 8.49% |
| Dell Inc DTD 06/15/2009 3.375% 06/15/2012 Non Callable CUSIP: 24702RAH4 | 15,000.00 | \$15,511.80 | \$15,591.44 | -\$79.64 | \$506.25 | 3.26% |

Asset Detail Section (continued)

Statement of Value & Activity

January 1, 2009 - December 31, 2009

| Description | Shares/Par Value | Market Value | Cost Basis | Unrealized G/L | Est. Ann. Income | Current Yield |
|--|-------------------------|---------------------|-------------------|-----------------------|-------------------------|----------------------|
| Devon Energy Corporation DTD 01/09/2009 5.625% 01/15/2014 Non Callable CUSIP: 25179MAG8 | 15,000.00 | \$16,204.35 | \$16,312.50 | -\$108.15 | \$843.75 | 5.21% |
| Dow Chemical Co DTD 05/13/2009 8.550% 05/15/2019 Non Callable CUSIP: 260543BX0 | 10,000.00 | \$11,931.40 | \$12,119.20 | -\$187.80 | \$855.00 | 7.17% |
| General Electric Capital Corporation DTD 12/06/2002 5.450% 01/15/2013 CUSIP: 36962GZY3 | 15,000.00 | \$15,946.35 | \$16,070.55 | -\$124.20 | \$817.50 | 5.13% |
| Goldman Sachs Group Inc DTD 02/05/2009 7.500% 02/15/2019 Non Callable CUSIP: 38141EA25 | 20,000.00 | \$23,316.00 | \$23,553.00 | -\$237.00 | \$1,500.00 | 6.43% |
| Goodrich Corp DTD 12/11/2009 4.875% 03/01/2020 Non Callable CUSIP: 382388AW6 | 10,000.00 | \$9,891.30 | \$9,975.90 | -\$84.60 | \$487.50 | 4.93% |
| Hewlett-Packard Co DTD 03/03/2008 4.500% 03/01/2013 Non Callable CUSIP: 428236AQ6 | 15,000.00 | \$15,902.40 | \$16,119.15 | -\$216.75 | \$675.00 | 4.24% |
| JP Morgan Chase DTD 09/15/2004 5.125% 09/15/2014 Non Callable CUSIP: 46625HBV1 | 15,000.00 | \$15,821.40 | \$15,813.45 | \$7.95 | \$768.75 | 4.86% |

Asset Detail Section (continued)**Statement of Value & Activity**

January 1, 2009 - December 31, 2009

| Description | Shares/Par Value | Market Value | Cost Basis | Unrealized G/L | Est. Ann. Income | Current Yield |
|---|-------------------------|---------------------|-------------------|-----------------------|-------------------------|----------------------|
| Martin Marietta Corp DTD 04/15/1993 7.375% 04/15/2013 Non Callable CUSIP: 573275AN4 | 15,000.00 | \$17,002.80 | \$17,382.45 | -\$379.65 | \$1,106.25 | 6.51% |
| Monsanto Co DTD 08/14/2002 7.375% 08/15/2012 Non Callable CUSIP: 61166WAA9 | 15,000.00 | \$17,002.20 | \$17,171.25 | -\$169.05 | \$1,106.25 | 6.51% |
| Morgan Stanley DTD 11/20/2009 4.200% 11/20/2014 Non Callable CUSIP: 61747YCK9 | 15,000.00 | \$15,010.50 | \$15,042.90 | -\$32.40 | \$630.00 | 4.20% |
| Nucor Corp DTD 04/01/2003 4.875% 10/01/2012 Non Callable CUSIP: 670346AE5 | 15,000.00 | \$16,162.65 | \$16,203.75 | -\$41.10 | \$731.25 | 4.52% |
| Time Warner Cable Inc DTD 03/26/2009 8.250% 04/01/2019 Non Callable CUSIP: 88732JAS7 | 15,000.00 | \$17,866.35 | \$18,024.15 | -\$157.80 | \$1,237.50 | 6.93% |
| Wal-Mart Stores Inc DTD 01/23/2009 4.125% 02/01/2019 Non Callable CUSIP: 931142CP6 | 15,000.00 | \$14,808.45 | \$15,021.00 | -\$212.55 | \$618.75 | 4.18% |
| XEROX Corporation DTD 05/11/2009 8.250% 05/15/2014 Non Callable CUSIP: 984121BY8 | 15,000.00 | \$17,206.80 | \$17,530.95 | -\$324.15 | \$1,237.50 | 7.19% |
| | | \$406,776.40 | \$410,899.34 | -\$4,122.94 | \$23,153.75 | |

Asset Detail Section (continued)

Statement of Value & Activity

January 1, 2009 - December 31, 2009

| Description | Shares/Par Value | Market Value | Cost Basis | Unrealized G/L | Est. Ann. Income | Current Yield |
|---|-------------------------|---------------------|--------------------|-----------------------|-------------------------|----------------------|
| Foreign Bonds | | | | | | |
| ArcelorMittal DTD 05/20/2009 9.850% 06/01/2019 Non Callable CUSIP: 03938LAM6 | 15,000.00 | \$19,401.00 | \$19,473.15 | -\$72.15 | \$1,477.50 | 7.62% |
| Barclays Bank PLC DTD 07/10/2009 5.200% 07/10/2014 Non Callable CUSIP: 06739FFZ9 | 15,000.00 | \$15,900.15 | \$16,121.55 | -\$221.40 | \$780.00 | 4.91% |
| Potash Corp DTD 05/01/2009 5.250% 05/15/2014 Non Callable CUSIP: 73755LAE7 | 20,000.00 | \$21,492.00 | \$21,874.25 | -\$382.25 | \$1,050.00 | 4.89% |
| Rio Tinto Fin USA Ltd DTD 04/17/2009 9.000% 05/01/2019 Non Callable CUSIP: 767201AH9 | 20,000.00 | \$25,311.80 | \$26,041.80 | -\$730.00 | \$1,800.00 | 7.11% |
| Total Fixed Income | | \$82,104.95 | \$83,510.75 | -\$1,405.80 | \$5,107.50 | |
| Cash & Equivalents | | | | | | |
| Blackrock Liq Fd Temp Fund-In #24 CUSIP: 09248U619 | 67,057.00 | \$67,057.00 | \$67,057.00 | \$0.00 | \$71.25 | 0.11% |

Asset Detail Section (continued)

Statement of Value & Activity

January 1, 2009 - December 31, 2009

| Description | Shares/Par Value | Market Value | Cost Basis | Unrealized G/L | Est. Ann. Income | Current Yield |
|--------------------------|-------------------------|---------------------|-------------------|-----------------------|-------------------------|----------------------|
| Cash | | \$42.43 | | | | |
| Total Cash & Equivalents | | \$67,099.43 | \$67,057.00 | \$0.00 | \$71.25 | |
| Total All Assets | | \$1,551,316.41 | \$1,564,003.20 | -\$12,729.22 | \$67,163.03 | |

Asset Detail Section

Statement of Value & Activity

January 1, 2009 - December 31, 2009

Asset Detail

| Description | Shares/Par Value | Market Value | Cost Basis | Unrealized G/L | Est. Ann. Income | Current Yield |
|---|------------------|--------------|--------------|----------------|------------------|---------------|
| Domestic Equities | | | | | | |
| Other | | | | | | |
| Cef iShares S&P Midcap 400 Value Fd CUSIP: 464287705 | 1,925.00 | \$126,934.50 | \$123,052.51 | \$3,881.99 | \$3,345.65 | 2.64% |
| iShares MSCI EAFE Index Fund CUSIP: 464287465 | 8,741.00 | \$483,202.48 | \$490,608.00 | -\$7,405.52 | \$12,595.78 | 2.61% |
| iShares S&P Midcap 400 Growth Index CUSIP: 464287606 | 1,310.00 | \$101,800.10 | \$99,882.08 | \$1,918.02 | \$1,130.53 | 1.11% |
| iShares S&P Smallcap 600/Val CUSIP: 464287879 | 1,363.00 | \$79,571.94 | \$78,017.07 | \$1,554.87 | \$1,515.66 | 1.90% |
| iShares S&P 500 Growth Index Fd CUSIP: 464287309 | 4,260.00 | \$247,037.40 | \$238,154.18 | \$8,883.22 | \$3,876.60 | 1.57% |
| iShares S&P 500 Value Index Fund CUSIP: 464287408 | 5,624.00 | \$298,128.24 | \$294,337.75 | \$3,790.49 | \$7,620.52 | 2.56% |
| iShares TR S&P Smallcap/600 Growth CUSIP: 464287887 | 1,119.00 | \$63,939.66 | \$62,525.08 | \$1,414.58 | \$396.13 | 0.62% |
| Powershares DB Commodity Index CUSIP: 73935S105 | 6,309.00 | \$155,327.58 | \$151,164.45 | \$4,163.13 | \$0.00 | 0.00% |

Total Domestic Equities \$1,555,941.30 \$1,537,741.12 \$18,200.78 \$30,480.87

Asset Detail Section (continued)

Statement of Value & Activity

January 1, 2009 - December 31, 2009

| <i>Description</i> | <i>Shares/Par Value</i> | <i>Market Value</i> | <i>Cost Basis</i> | <i>Unrealized G/L</i> | <i>Est. Ann. Income</i> | <i>Current Yield</i> |
|--|-------------------------|---------------------|-------------------|-----------------------|-------------------------|----------------------|
| Cash & Equivalents | | | | | | |
| Dreyfus Cash Mgmt Instl Shares CUSIP: 26188J206 | 28,117.05 | \$28,117.05 | \$28,117.05 | \$0.00 | \$18.88 | 0.07% |
| Total Cash & Equivalents | | \$28,117.05 | \$28,117.05 | \$0.00 | \$18.88 | |
| Total All Assets | | \$1,584,058.95 | \$1,565,858.17 | \$18,200.78 | \$30,499.75 | |

The Seto Foundation
Statement of Policies
Approved July 7, 2009

BACKGROUND

The Seto Foundation (The Foundation) was founded in September 1996 in Honolulu, Hawaii as a private foundation under the Internal Revenue Code section 501(c)(3).

The Foundation Directors recognize that the measure of success that has been achieved by its founders bestows upon them a responsibility to “give back” to the community. Therefore, it is the express desire of the Foundation that its Directors become actively involved in the charitable community.

I. GOVERNANCE

1.1 Directors meetings. Directors meetings are generally held in the evenings twice a year.

1.2 Conflicts of interest.

- a) **Purpose of the Statement of Policy:** The Seto Foundation is committed to integrity and fairness in all of its activities. Inevitably, the interests of the Directors will involve them in organizations, causes, and other endeavors that intersect with the affairs of the Foundation. It would disadvantage the Foundation to deprive it of the involvement of interested colleagues, but their participation in Foundation decision-making cannot impair the fairness and integrity of Foundation processes. This statement of principle is intended to further the work of the Foundation by facilitating the substantive contributions of its Directors through providing for disclosure of other interests and by requiring abstention from decision-making actions that affect non-foundation affiliations or interests. In addition, the Foundation would suffer if there were any appearance of bias or self-interest in its activities. These principles are intended to preclude any such appearance.
- b) **Disclosure:** Directors of the Foundation will communicate fully with the Foundation regarding any relationship or commitment that could affect the impartial fulfillment of their role in the affairs of the Foundation. This policy refers to such a relationship or commitment as affiliation. Affiliation may be defined as the close involvement with a vendor, service provider, or grantee on the part of (a) a Director of the Foundation or (b) the spouse or equivalent, parents, or children of a Director. Affiliation includes, but is not limited to, serving as a board member, employee, or consultant to a current or potential grantee, service provider, or vendor, or doing business with the grantee, service provider, or vendor. In principle, extra-foundation affiliations or interests should be disclosed to other participants in the foundation’s decision-making process whenever there is any doubt about whether disclosure is required.

- c) **Abstention from Foundation Decision-making:** In all situations in which disclosure of affecting relationships should be made, the Foundation-affiliated individual should abstain from decision-taking actions, and that abstention should be formally noted in the Foundation's minutes. With disclosure to other participants, the work of the Foundation is furthered by the willingness of its Directors, however interested, to share information bearing upon the matter under consideration. Such participation is encouraged.
- d) **No Return Benefit:** In considering any decision regarding an organization or person with which a Foundation Director is affiliated, the Foundation shall avoid any transaction that results in any direct or indirect economic benefit to the affiliated person or that would constitute self-dealing under Internal Revenue Code Section 4941. Incidental and tenuous benefits to affiliated persons, such as name recognition or public acknowledgment, are permitted. No grant shall be made from the Foundation to satisfy a personal pledge made by a Director.
- e) **Gifts:** The Director shall not accept a gift or gratuity, except of nominal value, from any past or present grantee. Directors may represent the Foundation at events sponsored by a grantee to recognize the contributions of the Foundation.
- f) **Avoid the Appearance of Conflict:** While the substance of integrity is the essence of the Foundation's approach to these matters, avoiding the appearance of conflict is an important collateral objective. To that end, the Foundation will not customarily make grants to, or contract with, organizations that employ affiliated persons

1.3 Director compensation. The Directors shall receive no compensation for their services. However, they shall be entitled to the reimbursement of expenses incurred in the performance of their duties as directors.

II. MANAGEMENT

2.1 Fiscal year. The Foundation's fiscal year runs from January 1 through December 31.

2.2 Investment Objective. The investment objective of the foundation is to achieve an annual rate of total return (income and capital appreciation) of at least 5%. In seeking to achieve the objective, the monies of the Foundation will be invested in a balanced portfolio of securities with an appropriate level of risk and in accordance with all applicable Federal and Hawaii Statutes and regulations governing the investment of private foundations.

2.3 Investment Responsibility. The Board of Directors (Directors) shall be responsible for the investments held by the Foundation. Its duties shall include establishing investment policies and guidelines, managing the investment portfolio, and reviewing the investments and their performance on a periodic basis. The Directors may hire investment professionals to assist them in fulfilling their investment responsibilities. The Directors

shall monitor the activities of such professionals to ensure that their actions are in accordance with the policies, procedures, and guidelines of the foundation.

2.4 Fiscal management. First Hawaiian Bank holds all the Foundation's assets in custody and is the Foundation's fiscal manager. Written investment guidelines and asset allocation, adopted from time to time by the Directors, are maintained at First Hawaiian Bank with copies held at the Hawaii Community Foundation. Asset allocation is to be reviewed periodically by the Directors, in collaboration with the Foundation's investment consultant.

2.5 Spending guidelines. The Foundation will pay out in disbursements for charitable purposes (grants plus allocated expenses as defined in the return of Private Foundation form 990-PF) an amount equal to approximately 5% of the market value of the portfolio, averaged over the previous twelve (12) months. For budgetary purposes, an amount is to be set for the current year based on 5% of the market value as of the last day of each month for twelve (12) months up to and including December 31 of the prior year. The Foundation's Board of Directors may adjust the amount at its discretion. Annually, the Certified Public Accountant firm will report on whether the Foundation can reduce its tax liability from 2% to 1% by making additional grants.

III. GRANTMAKING

3.1 Grants administration: Hawaii Community Foundation provides grants administration services for the Foundation. The Foundation Directors approve an annual contract with HCF for a set of services and fee. The fee is paid twice a year in January and July.

3.2 Mission. The mission of The Seto Foundation is to improve the human condition through the promotion of health, education, safety and welfare of the members of the community.

3.3 Priorities: While not restricting grants to any particular field, the Foundation has a particular interest in organizations that will:

- Improve the human condition by helping people to help themselves
- Perpetuate the well-being of women and children by supporting health, family and educational programs
- Provide essential services for people who cannot reasonably provide for themselves
- Provide rehabilitation and reintegration programs to people in need
- Promote high quality early education and parenting skills
- Promote advances of medical science to benefit the community
- Promote the arts as a means to improve the human condition
- Provide educational opportunities for deserving students through scholarships

3.4 Funding eligibility and guidelines

- a) Applicants must have a 501 (c)(3) tax exempt public charity status or must work through a fiscal sponsor with 501(c)(3) status. The Foundation does not make

grants to organizations classified as 509(a)(3) of the Internal Revenue Code or any other organizations that would require the Foundation to exercise expenditure responsibility.

- b) The Foundation intends to give maximum flexibility to the Directors as they seek deserving organizations to support so is open to a variety of types of grants including capital improvements, operating support, and project or programmatic support. The Foundation generally does not fund loans, lobbying, funds for regranteeing or grants to individuals or for the benefit of identified individuals (except support to educational institutions for scholarships)
- c) Unsolicited proposals from grant seeking organizations are not generally considered.
- d) The Foundation recognizes that in order to be successful in accomplishing its purposes, a charitable organization must have community support rather than relying solely on foundation or government funding. For this reason, the Directors will pay particular attention to how active members of the organization's board of directors are in carrying out their responsibilities to the organization. Organizations are expected to have active and contributing volunteer leadership.
- e) Additional factors in consideration of support include:
 - Demonstrated community need for the proposed project or the organization as a whole (in the case of general operating support)
 - Qualifications of staff and/or volunteers to carry out the proposed project or organization's operations
 - Ability to measure effectiveness of the project or organization
 - Reasonableness of the project or organization's budget
 - Sustainability of the project or organization beyond the grant award
- f) The Hawaii Community Foundation staff provide the Directors with recommendations regarding potential grants. Staff will work with potential grantee organizations to gather the information on the organization, program, staff and budget.
- g) Only organizations awarded funding will be notified of the Directors' funding decisions.

3.5 Directors Interests. The following organizations do not require review by Hawaii Community Foundation, however, final reports are still required:

- Hanalei School
- Iolani School
- Punahou School
- The Early School
- University of Puget Sound

3.6 Terms and conditions. Grants are subject to the following terms and conditions:

- a) Grantees must use the grant only for the purpose designated.
- b) Grantees must submit a final report no later than thirteen months after the date of the award letter.

- c) The Foundation reserves the right to conduct site visits and to require interim reports.
- d) Grantees must report any unexpended funds remaining at the end of the grant period and return unexpended funds.
- e) Grantees must notify the foundation immediately if they cannot perform in accordance with the terms of the grant, materially change their mission or activities, or lose exemption from federal income taxes under section 501 (c)(3). In these circumstances, grantees may be required to return their grant.

3.7 Final Reports Accountability is emphasized. The Foundation requires that its grantees provide documentation showing that funds received were administered in accordance with the grant agreement letter and grant guidelines. All funded organizations are required to submit a final grant report. This report is to include a financial statement for the period in which the grant monies were spent, and a narrative section describing the outcomes of the funded project. Final report criteria are included in the grant agreement letter. Organizations not submitting timely reports or not expending funds as agreed may be disqualified from future grant consideration.

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No 1545-1709

Department of the Treasury
Internal Revenue Service► **File a separate application for each return.**

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

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only ☐

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

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

| | | |
|--|--|--------------------------------|
| Type or print File by the due date for filing your return. See instructions. | Name of Exempt Organization | Employer identification number |
| | SETO FOUNDATION | 99-0329759 |
| | Number, street, and room or suite number. If a P O box, see instructions | |
| | C/O 1314 SOUTH KING STREET, SUITE 710 | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. | |
| | HONOLULU | HI 96814 |

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

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

- The books are in the care of ► HAWAII COMMUNITY FOUNDATION

Telephone No. ► (808) 566-5538FAX No. ► (808) 521-6286

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until Aug 16, 20 10, to file the exempt organization return for the organization named above.
The extension is for the organization's return for:

- ☒ calendar year 20 09 or
► ☐ tax year beginning _____, 20 _____, and ending _____, 20 _____

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

| | | |
|--|--------------|--------|
| 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions | 3a \$ | 1,050. |
| b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit | 3b \$ | 4,163. |
| c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions | 3c \$ | 0. |

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.**BAA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.**Form **8868** (Rev. 4-2009)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

| | | |
|---|--|--------------------------------|
| Type or print File by the extended due date for filing the return. See instructions | Name of Exempt Organization | Employer identification number |
| | SETO FOUNDATION, C/O HAWAII COMMUNITY FOUNDATION | 99-0329759 |
| | Number, street, and room or suite number. If a P.O. box, see instructions. | For IRS use only |
| | C/O 1314 SOUTH KING STREET, SUITE 710 | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. | |
| | HONOLULU HI 96814 | |

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

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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in care of **HAWAII COMMUNITY FOUNDATION**

Telephone No. **(808) 566-5538** FAX No. **(808) 521-6286**

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **Nov 15**, 20 **10**.
- 5 For calendar year **2009**, or other tax year beginning **20**, and ending **20**.
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension **THE ANNUAL ACCOUNTING NEEDS TO BE COMPLETED IN ORDER TO FILE A COMPLETE AND ACCURATE TAX RETURN.**

| | | |
|--|-----------|------------------|
| 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions | 8a | \$ 1,050. |
| b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. | 8b | \$ 4,163. |
| c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instrs. | 8c | \$ 0. |

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  Title **CPA** Date **08/13/10**