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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

1809

► Do not enter social security numbers on this form as it may be made public.
► Go to *www.irs.gov/Form990PF* for instructions and the latest information.

OMB No. 1545-0052

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning 10/01 , 2017, and ending 9/30 , 2018

WILLIAM H. HANNON FOUNDATION
729 MONTANA AVENUE SUITE 5
SANTA MONICA, CA 90403

A Employer identification number: 95-3847664

B Telephone number (see instructions): 310-260-2470

C If exemption application is pending, check here. ► ☐ 6

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. ► ☐

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

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation 04 ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► $ 18,031,697.

J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

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Part I	Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc.,				
	2 Check ► ☒ if the foundation ch. B				
	3 Interest on savings and temporar	118,647.	118,647.	118,647.	
	4 Dividends and interest from secu	126,385.	126,385.	126,385.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-293,760.			
	b Gross sales price for all assets on line 6a 7,649,864.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain			0.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule) SEE STATEMENT 1	-206,122.	-155,162.		
	12 Total. Add lines 1 through 11	-254,850.	89,870.	245,032.	
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	348,750.	174,375.		174,375.
	14 Other employee salaries and wages	9,785.	4,892.		4,893.
	15 Pension plans, employee benefits	12,558.	6,279.		6,279.
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 2	162.	81.		81.
	c Other professional fees (attach sch) SEE ST 3	82,662.	41,331.		41,331.
	17 Interest				
	18 Taxes (attach schedule)(see instrs) SEE STM 4	-84,288.			
	19 Depreciation (attach schedule) and depletion SEE STMT 5	97.			
	20 Occupancy	59,609.	29,805.		29,806.
	21 Travel, conferences, and meetings	638.	319.		319.
	22 Printing and publications	653.	327.		326.
	23 Other expenses (attach schedule) SEE STATEMENT 6	7,347.	3,674.		3,673.
	24 Total operating and administrative expenses. Add lines 13 through 23	437,973.	261,083.		261,083.
	25 Contributions, gifts, grants paid PART XV	2,351,230.			2,351,230.
	26 Total expenses and disbursements. Add lines 24 and 25	2,789,203.	261,083.	0.	2,612,313.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-3,044,053.			
	b Net investment income (if negative, enter -0-)		0.		
	C Adjusted net income (if negative, enter -0-)			245,032.	

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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			
	2 Savings and temporary cash investments	1,716,838.	320,789.	320,789.
	3 Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less: allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less: allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule)	3,008,082.	3,010,745.	2,929,968.
	b Investments – corporate stock (attach schedule)	5,013,774.	4,748,432.	8,028,288.
	c Investments – corporate bonds (attach schedule)	2,098,096.	2,304,798.	2,259,659.
	11 Investments – land, buildings, and equipment: basis ► 27,631.			
	Less: accumulated depreciation (attach schedule) SEE STMT 7 ► 25,462.	2,266.	2,169.	2,169.
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule)	1,918,507.	-1,383,171.	4,472,031.
	14 Land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ► SEE STATEMENT 8)	18,933.	18,793.	18,793.
	16 **Total assets** (to be completed by all filers – see the instructions. Also, see page 1, item I)	13,776,496.	9,022,555.	18,031,697.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable	2,193,480.	1,209,240.	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ► SEE STATEMENT 9)	20,972.	20,542.	
	23 **Total liabilities** (add lines 17 through 22)	2,214,452.	1,229,782.	
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26, and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► ☒ 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	12,260,604.	12,260,604.	
	29 Retained earnings, accumulated income, endowment, or other funds	-698,560.	-4,467,831.	
	30 **Total net assets or fund balances** (see instructions)	11,562,044.	7,792,773.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	13,776,496.	9,022,555.	

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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	11,562,044.
2	Enter amount from Part I, line 27a	2	-3,044,053.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	8,517,991.
5	Decreases not included in line 2 (itemize) ► SEE STATEMENT 10	5	725,218.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	7,792,773.

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule. See instructions	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement. See instructions	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► KATHLEEN HANNON AIKENHEAD Telephone no. ► 310-260-2470

Located at ► 729 MONTANA AVE. SANTA MONICA CA ZIP + 4 ► 90403

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – check here ► N/A ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
16	At any time during calendar year 2017, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X

See the instructions for exceptions and filing requirements for FinCEN Form 114. If 'Yes,' enter the name of the foreign country ►

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?		☐	X
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?		☐	X
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?		☐	X
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?		X	☐
	(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)?		☐	X
	(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.)		☐	X
b	If any answer is 'Yes' to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions	1b		X
	Organizations relying on a current notice regarding disaster assistance, check here ► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?	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 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017?		☐	X
	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 instructions.)	2b	N/A	
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?		☐	X
b	If 'Yes,' did it have excess business holdings in 2017 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 2017.)	3b	N/A	
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 2017?	4b		X

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

		Yes	No
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 4945(d)(4)(A)? See instructions ☐ Yes ☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No		
b	If any answer is 'Yes' to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions	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? N/A ☐ Yes ☐ No		
	If 'Yes,' attach the statement required by Regulations section 53.4945–5(d).		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b	X
	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? N/A	7b	

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 **List all officers, directors, trustees, and 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
SEE ATTACHED SMT SEE ATTACHED STMT SEE ATTACHED STMT, CA	SEE ATTACHED 0	0.	0.	0.

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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				

Total number of other employees paid over $50,000 ► 0

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, 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)

2a 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 (a) 2017	Prior 3 years (b) 2016	(c) 2015	(d) 2014	(e) Total
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					

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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 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. to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

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

SEE STATEMENT 11

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines:

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

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				
SEE ATTACHED SCHEDULE SEE ATTACHED SCHEDULE SEE ATTACHED SCHED CA 90403	N/A	N/A	CHARITABLE	2,351,230.
Total ► 3a				2,351,230.
b Approved for future payment				
Total ► 3b				

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WILLIAM H. HANNON FOUNDATION 95-3847664

STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
K-1 FROM KACIP	$ 28,582.	$ 53,546.	
K-1 FROM KAR MLP	-236,692.	-210,696.	
K-1 FROM TRG OASIS	-485.	-485.	
MSSB/NORTH HAVEN CREDIT P	2,363.	2,363.	
VARIOUS	110.	110.	
TOTAL	$ -206,122.	$ -155,162.	$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	$ 162.	$ 81.		$ 81.
TOTAL	$ 162.	$ 81.	$ 0.	$ 81.

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STATEMENT 3
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT EXPENSES	$ 82,662.	$ 41,331.		$ 41,331.
TOTAL	$ 82,662.	$ 41,331.	$ 0.	$ 41,331.

STATEMENT 4
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
UBIT TAXES	$ -84,288.			
TOTAL	$ -84,288.	$ 0.	$ 0.	$ 0.

STATEMENT 5
FORM 990-PF, PART I, LINE 19
ALLOCATED DEPRECIATION

DATE ACQUIRED	COST BASIS	PRIOR YR DEPR	METHOD	RATE	LIFE	CURRENT YR DEPR	NET INVEST INCOME	ADJUSTED NET INCOME
LEASEHOLD IMPROVEMENTS								
11/19/01	1,641	665	S/L		39	42	0	0
LEASEHOLD IMPROVEMENTS								
2/14/02	2,145	862	S/L		39	55	0	0

STATEMENT 6
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	$ 16.	$ 8.		$ 8.
INSURANCE	2,347.	1,173.		1,173.
MISCELLANEOUS	176.	88.		88.
OFFICE EXPENSES	3,066.	1,533.		1,533.
PAYROLL FEES	1,742.	872.		871.
TOTAL	$ 7,347.	$ 3,674.	$ 0.	$ 3,673.

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STATEMENT 7
FORM 990-PF, PART II, LINE 11
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	$ 18,305.	$ 18,305.	$ 0.	$ 0.
MACHINERY AND EQUIPMENT	5,350.	5,350.	0.	0.
IMPROVEMENTS	3,976.	1,807.	2,169.	2,169.
TOTAL	$ 27,631.	$ 25,462.	$ 2,169.	$ 2,169.

STATEMENT 8
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
ACCRUED INTEREST	$ 11,819.	$ 11,819.
BRONZE BUSTS	2,724.	2,724.
DEPOSITS RECEIVABLE	4,250.	4,250.
TOTAL	$ 18,793.	$ 18,793.

STATEMENT 9
FORM 990-PF, PART II, LINE 22
OTHER LIABILITIES

PAYABLE TO OFFICER	$ 87.
ACCRUED EXPENSES	20,455.
TOTAL	$ 20,542.

STATEMENT 10
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

TIMING DIFFERENCES	$ 725,218.
TOTAL	$ 725,218.

STATEMENT 11
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	
NAME:	WILLIAM H. HANNON FOUNDATION
CARE OF:	KATHLEEN HANNON AIKENHEAD, PRESIDENT
STREET ADDRESS:	729 MONTANA AVENUE, SUITE 5
CITY, STATE, ZIP CODE:	SANTA MONICA, CA 90403
TELEPHONE:	310-260-2470
E-MAIL ADDRESS:	
FORM AND CONTENT:	LETTER FORM
SUBMISSION DEADLINES:	NONE
RESTRICTIONS ON AWARDS:	CONTRIBUTIONS ARE MADE TO IRC SEC 170(C) CHARITIES WHICH ARE NOT PRIVATE FOUNDATIONS, MAINLY LOCAL CHARITIES, SCHOOLS, UNIVERSITIES, CHURCHES, HOSPITALS AND MEDICAL RESEARCH ORGANIZATIONS.

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STATEMENT 12
FORM 990-PF, PART XVI-A, LINE 11
OTHER REVENUE

OTHER REVENUE	(A) BUSINESS CODE	(B) UNRELATED BUSINESS AMOUNT	(C) EXCLUSION CODE	(D) EXCLUDED AMOUNT	(E) RELATED OR EXEMPT FUNCTION
K-1 FROM KACIP	525990	$ -24,964.	14	$ 53,546.	
K-1 FROM KAR MLP	525990	-25,996.	14	-210,696.	
K-1 FROM TRG OASIS			14	-485.	
MSSB/NORTH HAVEN CREDIT P			14	2,363.	
UBIT AMT INCL IN COLMN B VARIOUS	525990		14	110.	
TOTAL		$ -50,960.		$ -155,162.	$ 0.