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

2010

Department of the Treasury
 Internal Revenue Service

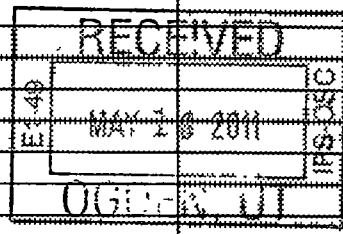
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2010, or tax year beginning _____, and ending _____

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

Name of foundation The Drum Foundation		A Employer identification number 94-6067469
Number and street (or P O box number if mail is not delivered to street address) 180 Montgomery Street	Room/suite 1616	B Telephone number 415-364-9700
City or town, state, and ZIP code San Francisco, CA 94104		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 4,498,097. (Part I, column (d) must be on cash basis.)	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue			N/A	
1 Contributions, gifts, grants, etc., received				
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	238.	238.		Statement 1
4 Dividends and interest from securities	111,890.	51,589.		Statement 2
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	8,233.			
b Gross sales price for all assets on line 8a	528,392.			
7 Capital gain net income (from Part IV, line 2)		8,233.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income	570.	570.		Statement 3
12 Total. Add lines 1 through 11	120,931.	60,630.		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	46,000.	11,500.		34,500.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees Stmt 4	25,760.	6,440.		19,320.
b Accounting fees				
c Other professional fees Stmt 5	30,336.	30,336.		0.
17 Interest				
18 Taxes Stmt 6	1,019.	780.		0.
19 Depreciation and depletion				
20 Occupancy	7,200.	1,800.		5,400.
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses Stmt 7	3,183.	78.		3,105.
24 Total operating and administrative expenses. Add lines 13 through 23	113,498.	50,934.		62,325.
25 Contributions, gifts, grants paid	219,500.			219,500.
26 Total expenses and disbursements. Add lines 24 and 25	332,998.	50,934.		281,825.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	<212,067.>			
b Net investment income (if negative, enter -0-)		9,696.		
c Adjusted net income (if negative, enter -0-)			N/A	



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing		<1.>		
	2	Savings and temporary cash investments		40,072.	76,325.	76,325.
	3	Accounts receivable				
		Less: allowance for doubtful accounts				
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable				
		Less: allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U S and state government obligations Stmt 8		399,560.	353,767.	380,194.
	b	Investments - corporate stock Stmt 9		2,410,387.	2,141,159.	3,171,972.
	c	Investments - corporate bonds Stmt 10		775,433.	826,160.	869,606.
	11	Investments - land, buildings, and equipment basis				
	Less: accumulated depreciation					
12	Investments - mortgage loans					
13	Investments - other					
14	Land, buildings, and equipment basis					
	Less: accumulated depreciation					
15	Other assets (describe)					
16	Total assets (to be completed by all filers)		3,625,451.	3,397,411.	4,498,097.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe)				
23	Total liabilities (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		3,609,478.	3,397,411.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
29	Retained earnings, accumulated income, endowment, or other funds		0.	0.		
30	Total net assets or fund balances		3,609,478.	3,397,411.		
31	Total liabilities and net assets/fund balances		3,609,478.	3,397,411.		

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	3,609,478.
2	Enter amount from Part I, line 27a	2	<212,067.>
3	Other increases not included in line 2 (itemize)	3	0.
4	Add lines 1, 2, and 3	4	3,397,411.
5	Decreases not included in line 2 (itemize)	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,397,411.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a Publicly Traded Securities		P		
b Capital Gains Dividends				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 528,002.		520,159.	7,843.	
b 390.			390.	
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a			7,843.	
b			390.	
c				
d				
e				
2 Capital gain net income or (net capital loss)		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2 8,233.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		{ If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8 }		3 N/A

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

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

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

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

Yes No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	259,209.	3,900,770.	.066451
2008	290,953.	4,908,547.	.059275
2007	323,356.	5,656,296.	.057167
2006	445,141.	5,445,715.	.081742
2005	475,468.	5,618,175.	.084630
2 Total of line 1, column (d)			2 .349265
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 .069853
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 4,291,525.
5 Multiply line 4 by line 3			5 299,776.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 102.
7 Add lines 5 and 6			7 299,878.
8 Enter qualifying distributions from Part XII, line 4			8 282,316.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	204.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0.
3	Add lines 1 and 2	3	204.
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	204.
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,372.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	1,372.
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	1,168.
11	Enter the amount of line 10 to be Credited to 2011 estimated tax 1,168. Refunded	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

N/A

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)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A		X	
14	The books are in care of ► <u>Botto Law Group LLP</u> Telephone no. ► <u>415-364-9700</u> Located at ► <u>180 Montgomery St., Ste. 1616, San Francisco, CA</u> ZIP+4 ► <u>94104</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
16	At any time during calendar year 2010, 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? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►		Yes	No
		16		X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Statement 11	
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Statement 11	
(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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ►		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 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 2010.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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

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

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

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? Yes No

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? 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)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here N/A

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). N/A

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? Yes No
 If "Yes" to 6b, file Form 8870. N/A

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? Yes No

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Mrs. Janet Abbott 180 Montgomery Street, Suite 1616 San Francisco, CA 94104	Director 10.00	23,000.	0.	0.
Mr. Philip Hudner 180 Montgomery Street, Suite 1616 San Francisco, CA 94104	Director 10.00	23,000.	0.	0.
Mrs. Janet Abbott 180 Montgomery Street, Suite 1616 San Francisco, CA 94104	President 1.00	0.	0.	0.
Mr. Philip Hudner 180 Montgomery Street, Suite 1616 San Francisco, CA 94104	Secretary- Treasurer 1.00	0.	0.	0.

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

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

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

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

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

1	Expenses
N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

1	Amount
N/A	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2010)

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	4,241,416.
b	Average of monthly cash balances	1b	115,462.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	4,356,878.
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	4,356,878.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	65,353.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,291,525.
6	Minimum investment return. Enter 5% of line 5	6	214,576.

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	214,576.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	204.
b	Income tax for 2010 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	204.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	214,372.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	214,372.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	214,372.

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	282,316.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:			
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	282,316.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	282,316.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				214,372.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years.		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	477,881.			
b From 2006	181,359.			
c From 2007	49,495.			
d From 2008	48,028.			
e From 2009	65,541.			
f Total of lines 3a through e	822,304.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 282,316.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				214,372.
e Remaining amount distributed out of corpus	67,944.			
5 Excess distributions carryover applied to 2010 (if an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	890,248.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	477,881.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	412,367.			
10 Analysis of line 9:				
a Excess from 2006	181,359.			
b Excess from 2007	49,495.			
c Excess from 2008	48,028.			
d Excess from 2009	65,541.			
e Excess from 2010	67,944.			

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 2010, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2010	(b) 2009	Prior 3 years		
			(c) 2008	(d) 2007	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities					
Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon.					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

None

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

None

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year Statement 12				219,500.
Total				▶ 3a 219,500.
b Approved for future payment None				
Total				▶ 3b 0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Table with 5 columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include Program service revenue, Membership dues and assessments, Interest on savings and temporary cash investments, Dividends and interest from securities, Net rental income, Other investment income, Gain or (loss) from sales of assets other than inventory, and Subtotal.

(See worksheet in line 13 instructions to verify calculations)

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

Table with 2 columns: Line No., Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code... a Transfers from the reporting foundation to a noncharitable exempt organization... b Other transactions... c Sharing of facilities, equipment, mailing lists, other assets, or paid employees... d If the answer to any of the above is "Yes," complete the following schedule...

Table with columns 'Yes' and 'No' for items 1a(1) through 1c. All 'No' boxes are checked with an 'X'.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code... [] Yes [X] No

b If "Yes," complete the following schedule.

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

Sign Here section with signature of Bryan Kirk, date MAY 6 2011, title Secretary-Treasurer. Paid Preparer section with name BRYAN KIRK, signature, date 5/6/11, firm name Botto Law Group LLP, address 180 Montgomery Street, San Francisco, CA 94104, and phone number 415-364-9700.

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

<u>Source</u>	<u>Amount</u>
Blackrock Temp Fund 24	238.
Total to Form 990-PF, Part I, line 3, Column A	238.

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
Corporate dividends	60,301.	390.	59,911.
Corporate interest	35,894.	0.	35,894.
Original issue discounts	4,223.	0.	4,223.
US government interest	11,862.	0.	11,862.
Total to Fm 990-PF, Part I, ln 4	112,280.	390.	111,890.

Form 990-PF

Other Income

Statement 3

Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
Class action settlements	570.	570.	
Total to Form 990-PF, Part I, line 11	570.	570.	

Form 990-PF

Legal Fees

Statement 4

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Botto Law Group LLP	24,140.	6,035.		18,105.
Howard Rice et al.	1,620.	405.		1,215.
To Fm 990-PF, Pg 1, ln 16a	25,760.	6,440.		19,320.

Form 990-PF

Other Professional Fees

Statement 5

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Pacific Capital Bank, NA, bank fees	30,336.	30,336.		0.
To Form 990-PF, Pg 1, ln 16c	30,336.	30,336.		0.

Form 990-PF

Taxes

Statement 6

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Estimated excise tax	239.	0.		0.
Foreign tax withheld	780.	780.		0.
To Form 990-PF, Pg 1, ln 18	1,019.	780.		0.

Form 990-PF

Other Expenses

Statement 7

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Attorney General's Registry of Charitable Trusts, filing fee	25.	0.		25.
Franchise Tax Board, filing fee	10.	0.		10.
Krauter & Co., directors and officers insurance	1,259.	0.		1,259.
The Hartford, business owner's insurance	988.	0.		988.
Certified mail and delivery expenses	53.	0.		53.
Secretarial expense	687.	0.		687.
Foreign currency conversion expense	78.	78.		0.
Software expense	83.	0.		83.
To Form 990-PF, Pg 1, ln 23	3,183.	78.		3,105.

Form 990-PF U.S. and State/City Government Obligations Statement 8

Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value
Fed'1 Hm Ln Bnk dtd 2/12/08 4.25% due 2/12/15, 50,000 par value (REDEEMED)	X		0.	0.
US Treas Infl Indexed Nts dtd 1/15/01 3.375% due 1/15/12, 121,742 par value	X		119,095.	128,836.
US Treas Infl Indexed Nts dtd 1/15/01 3.50% due 1/15/11, 124,204 par value	X		119,078.	125,825.
US Treas Infl Indexed Nts dtd 7/15/04 2.0% due 7/15/14, 114,681 par value	X		115,594.	125,533.
Total U.S. Government Obligations			353,767.	380,194.
Total State and Municipal Government Obligations				
Total to Form 990-PF, Part II, line 10a			353,767.	380,194.

Form 990-PF

Corporate Stock

Statement 9

Description	Book Value	Fair Market Value
Amgen Inc, 1,000 shs	57,720.	54,900.
Apple Inc Com, 1,000 shs	98,150.	322,560.
AT&T Inc, 1,000 shs	23,170.	29,380.
BP PLC ADR, 1,500 shs (SOLD)	0.	0.
Chevron Corp, 1,200 shs	6,105.	109,500.
Cisco Sys Inc, 2,400 shs	29,328.	48,552.
Cisco Sys Inc, 800 shs (SOLD)	0.	0.
Conocophillips, 1,000 shs	52,908.	68,100.
Danaher Corp, 3,000 shs	42,117.	141,510.
Dreyfus Emerging Mrkts Cl A, 11,093.608 shs	192,241.	149,431.
Du Pont (EI) De Nemours & Co, 1,400 shs	59,464.	69,832.
Exelon Corporation, 1,200 shs	36,851.	49,968.
Exxon Mobil Corporation, 1,200 shs	3,731.	87,744.
Freeport-McMoran Copper & Gold, 1,200 shs	102,322.	144,108.
General Electric, 1,500 shs	1,363.	27,435.
Goldman Sachs Group, 500 shs (SOLD)	0.	0.
Illinois Tool Works Inc, 1,000 shs	37,125.	53,400.
Illinois Tool Works Inc, 600 shs (SOLD)	0.	0.
Intel Corp, 2,200 shs (SOLD)	0.	0.
Intel Corp, 3,800 shs	79,560.	79,914.
Internation Business Machs Corp, 1,000 shs	104,329.	146,760.
Internation Business Machs Corp, 200 shs (sold)	0.	0.
Johnson & Johnson, 1,000 shs	61,040.	61,850.
Lilly Eli & Co, 1,000 shs	55,554.	35,040.
McDonald's Corp, 1,200 shs	68,603.	92,112.
Medtronic Inc, 1,000 shs	46,305.	37,090.
Microsoft Corp, 1,000 shs	41,487.	27,910.
Microsoft Corp, 200 shs (SOLD)	0.	0.
Pepsico Inc, 2,200 shs	3,911.	143,726.
T Rowe Price Inst Mdcop Eq Gr Fd, 1,429.115 shs (SOLD)	0.	0.
T Rowe Price Inst Mdcop Eq Gr Fd, 6,515.498 shs	148,851.	181,326.
T Rowe Price Int'l Stock Fd, 8,263.445 shs	133,218.	117,589.
Target Corporation, 1,000 shs	42,453.	60,130.
Teva Pharmacy Inds LTD ADR, 1,000 shs	33,658.	52,130.
Toyota Mtr Corp ADR, 1,200 shs	99,746.	94,356.
Transocean Ltd, 1,000 shs (SOLD)	0.	0.
United Technologies Corp, 1,400 shs	42,419.	110,208.
United Technologies Corp, 600 shs (SOLD)	0.	0.
Vale S A ADR, 2,000 shs	48,862.	69,140.
Vang Short Term Fed Fd Adm #549, 9,298.984 shs	100,976.	100,057.
Vang Sm Cp Ind Fd #1345 Sig Shs, 4,746.89 shs	122,082.	148,720.
Vang Sm Cp Ind Fd #1345 Sig Shs, 866.55 shs (SOLD)	0.	0.
Wal Mart Stores Inc, 1,000 shs	5,016.	53,930.
Wellpoint Inc Com, 1,400 shs	85,206.	79,604.
Wells Fargo & Co New Com, 4,000 shs	75,288.	123,960.
Total to Form 990-PF, Part II, line 10b	2,141,159.	3,171,972.

Form 990-PF

Corporate Bonds

Statement 10

Description	Book Value	Fair Market Value
Aberdeen Asia Pacific Income, 12,000 shs	76,258.	81,000.
Bank of Amer Fdg Cp Sr Nt dtd 03/11/10 4.50% due 4/01/15, 100,000 par value	100,286.	101,633.
Berkshire Hathaway Fn Corp dtd 4/15/04 4.625% due 10/15/13, 50,000 par value	49,015.	54,297.
GE Capital Corp dtd 2/21/01 6.125% due 2/22/11, 100,000 par value	100,170.	100,733.
Hewlett Packard Co dtd 2/27/07 5.25% due 3/1/12, 100,000 par value	98,496.	105,111.
McDonald's Corp dtd 10/18/07 5.8% due 10/15/17, 100,000 par value	100,800.	115,544.
Pepsico Inc Sr Nt dtd 1/14/2010 3.10% due 01/15/2015, 50,000 par value	50,537.	52,156.
Philip Morris Intl Inc dtd 5/16/08 4.875% 5/16/13, 50,000 par value	50,163.	54,128.
United Tech Corp dtd 4/29/05 4.375% due 5/1/10, 100,000 par value (MATURED)	0.	0.
Wal Mart Stores Inc Nt dtd 5/21/09 3.2% due 5/15/14, 100,000 par value	100,583.	104,593.
Wells Fargo Bank NA Sub Nts dtd 2/6/01 6.45% due 2/1/11, 100,000 par value	99,852.	100,411.
Total to Form 990-PF, Part II, line 10c	826,160.	869,606.

THE DRUM FOUNDATION

EIN: 94-6067469

2010 Return of Private Foundation

Statement 11

Part VII-B, Line 1a

In 2010, The Drum Foundation (the "foundation") maintained its office at the offices of Botto Law Group LLP. The foundation paid below-market rent to Botto Law Group LLP for office space and use of office equipment including telephone, copier and facsimile machines. The foundation also paid a reasonable rate to Botto Law Group LLP for secretarial services.

During 2010 the foundation engaged Botto Law Group LLP to render legal services to the foundation and paid Botto Law Group LLP reasonable compensation for the services. The compensation paid to Botto Law Group LLP was not excessive and the services rendered by Botto Law Group LLP were reasonable and necessary for carrying out the exempt purpose of the foundation.

During 2010 Philip Hudner, an officer and director of the foundation, was a salaried employee of Botto Law Group LLP. Mr. Hudner was not a partner of Botto Law Group LLP and did not share in the profits of Botto Law Group LLP. Mr. Hudner's daughter, Mollie Hudner Thompson, was a partner of Botto Law Group LLP but did not own more than 35 percent of the profit interests in Botto Law Group LLP.

The Drum Foundation
 EIN: 94-6067469
 2010 Return of Private Foundation

Statement 12

Part XV, Line 3a, Grants Paid During the Year:

Recipient Name & Address	Relation- ship	Status	Purpose	Amount
Acton Institute 161 Ottawa N.W., Suite 301 Grand Rapids, MI 49503	None	501(c)(3)	Support educational outreach	\$ 1,000
Carmelite Monastery of St. Joseph 1101 North River Road Des Plaines, IL 60016	None	501(c)(3)	General support for monastery	30,000
Catholics United for the Faith 827 North 4th Street Steubenville, OH 43925-1815	None	501(c)(3)	General support for religious organization	2,500
Daughters of St. Paul 3079 Oak Knoll Drive Redwood City, CA 94062	None	501(c)(3)	General support for religious congregation	2,500
De Marillac Academy 175 Golden Gate Avenue San Francisco, CA 94102	None	501(c)(3)	General support for 4th to 8th grade school	6,500
Dominican Sisters of Mission San Jose 1555 34th Avenue Oakland, CA 94601-3062	None	501(c)(3)	Support Office of School Development	10,000
Franciscan Missionary Sisters of Our Lady of Sorrows 2381 Laurel Glen Road Soquel, CA 95073-9776	None	501(c)(3)	Support St. Clare's Retreat and Convent	15,000
Immaculate Conception Academy 3625 24th Street San Francisco, CA 94110-3607	None	501(c)(3)	Contribution to scholarship fund	15,000
Junipero Serra High School 451 West 20th Avenue San Mateo, CA 94403-1385	None	501(c)(3)	Support academic resource center	10,000
Junipero Serra High School 451 West 20th Avenue San Mateo, CA 94403-1385	None	501(c)(3)	Support tuition assistance program	10,000
Keep the Faith, Inc. P.O. Box 277 Ramsey, NJ 07446	None	501(c)(3)	Support "Latin Mass" printing	5,000

The Drum Foundation
 EIN: 94-6067469
 2010 Return of Private Foundation

Statement 12

Part XV, Line 3a, Grants Paid During the Year:

Recipient Name & Address	Relation- ship	Status	Purpose	Amount
The Lumen Christi Institute 5735 South University Avenue Chicago, IL 60637	None	501(c)(3)	General support for academic center	5,000
Marin Catholic High School 675 Sir Francis Drake Blvd. Kentfield, CA 94904	None	501(c)(3)	General support for high school	2,500
Megan Furth Academy 2445 Pine Street San Francisco, CA 94115	None	501(c)(3)	General support for K to 8th grade school	2,500
Mercy High School 2750 Adeline Drive Burlingame, CA 94010	None	501(c)(3)	Support tuition assistance program	11,000
Mount St. Joseph-St. Elizabeth 100 Masonic Avenue San Francisco, CA 94118-4494	None	501(c)(3)	General support for service organization	5,000
Our Lady of Lourdes Convent 77 Locust Avenue San Rafael, CA 94901	None	501(c)(3)	Support infirmary	1,000
St. Anthony-Immaculate Conception School 299 Precita Avenue San Francisco, CA 94110	None	501(c)(3)	General support for K to 8th grade school	10,000
St. Catherine of Siena School 1300 Bayswater Avenue Burlingame, CA 94010-4313	None	501(c)(3)	Support tuition assistance program	5,000
Saint James School 321 Fair Oaks Street San Francisco, CA 94110-3616	None	501(c)(3)	General support for K to 8th grade school	12,500
St. Patrick's Catholic Church 756 Mission Street San Francisco, CA 94103	None	501(c)(3)	Support Latin Mass	2,500
St. Paul of the Shipwreck Church 1122 Jamestown Avenue San Francisco, CA 94124	None	501(c)(3)	Support CCD program	5,000

The Drum Foundation
 EIN: 94-6067469
 2010 Return of Private Foundation

Statement 12

Part XV, Line 3a, Grants Paid During the Year:

<u>Recipient Name & Address</u>	<u>Relation- ship</u>	<u>Status</u>	<u>Purpose</u>	<u>Amount</u>
St. Paul's School 1690 Church Street San Francisco, CA 94131	None	501(c)(3)	General support for K to 8th grade school	10,000
St. Peter's School 1266 Florida Street San Francisco, CA 94110	None	501(c)(3)	General support for K to 8th grade school	20,000
St. Vincent de Paul Society Particular Council of San Francisco 169 Stillman Street San Francisco, CA 94107	None	501(c)(3)	Support help desk program	2,500
San Domenico School 1500 Butterfield Road San Anselmo, CA 94960-1059	None	501(c)(3)	General support for K to 12th grade school	5,000
Sacred Heart Cathedral Preparatory 1055 Ellis Street San Francisco, CA 94109-7795	None	501(c)(3)	General support for high school	2,500
Thomas Aquinas College 10000 North Ojai Road Santa Paula, CA 93060	None	501(c)(3)	General support for liberal arts college	<u>10,000</u>
Total Grants 2010				<u>\$219,500</u>