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Return of Private Foundation

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

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2014

Open to Public Inspection

Form **990-PF**

Department of the Treasury
Internal Revenue Service

For calendar year 2014 or tax year beginning

, and ending

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 or province, country, and ZIP or foreign postal code San Francisco, CA 94104		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		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) \$ 4,787,899.	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)
1 Contributions, gifts, grants, etc., received			N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	126.	126.		Statement 1
4 Dividends and interest from securities	130,008.	130,008.		Statement 2
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	918,932.			
b Gross sales price for all assets on line 6a	3,024,210.			
7 Capital gain net income (from Part IV, line 2)		918,932.		
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	3,380.	3,380.		Statement 3
12 Total. Add lines 1 through 11	1,052,446.	1,052,446.		
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	34,075.	8,519.		25,556.
b Accounting fees				
c Other professional fees Stmt 5	38,209.	38,209.		0.
17 Interest				
18 Taxes Stmt 6	4,574.	196.		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	3,796.	530.		3,266.
24 Total operating and administrative expenses. Add lines 13 through 23	133,854.	60,754.		68,722.
25 Contributions, gifts, grants paid	168,000.			168,000.
26 Total expenses and disbursements. Add lines 24 and 25	301,854.	60,754.		236,722.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	750,592.			
b Net investment income (if negative, enter -0-)		991,692.		
c Adjusted net income (if negative, enter -0-)			N/A	

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Operating and Administrative Expenses

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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	<6.>	66,472.	66,472.
2 Savings and temporary cash investments	464,489.	169,927.	169,927.
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	123,767.		
b investments - corporate stock Stmt 8	1,444,350.	2,051,716.	3,036,870.
c Investments - corporate bonds Stmt 9	1,028,370.	1,353,438.	1,337,604.
11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
12 Investments - mortgage loans			
13 Investments - other Stmt 10	0.	170,009.	177,026.
14 Land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
15 Other assets (describe ▶)			
16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	3,060,970.	3,811,562.	4,787,899.
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	3,060,970.	3,811,562.	
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	3,060,970.	3,811,562.	
31 Total liabilities and net assets/fund balances	3,060,970.	3,811,562.	

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	3,060,970.
2 Enter amount from Part I, line 27a	2	750,592.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	3,811,562.
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	3,811,562.

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 See Statemnt 11 attached	P		
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 3,024,210.		2,105,278.	918,932.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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			918,932.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	918,932.
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 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 (col (b) divided by col (c))
2013	245,683.	4,686,119.	.052428
2012	293,621.	4,563,195.	.064345
2011	268,104.	4,459,269.	.060123
2010	281,825.	4,291,525.	.065670
2009	259,209.	3,900,770.	.066451

2 Total of line 1, column (d)	2	.309017
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	.061803
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	4,696,627.
5 Multiply line 4 by line 3	5	290,266.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	9,917.
7 Add lines 5 and 6	7	300,183.
8 Enter qualifying distributions from Part XII, line 4	8	236,722.

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	19,834.
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	19,834.
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	19,834.
6 Credits/Payments:			
a 2014 estimated tax payments and 2013 overpayment credited to 2014	6a	5,000.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	25,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d	7	30,000.	
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	10,166.	
11 Enter the amount of line 10 to be Credited to 2015 estimated tax	11	10,166. Refunded	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? 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.		X
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 \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		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
4a 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?	N/A	
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, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) CA		
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 2014 or the taxable year beginning in 2014 (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

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)
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)
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A
14 The books are in care of Botto Law Group LLP Telephone no 415-364-9700 Located at 180 Montgomery St., Ste. 1616, San Francisco, CA ZIP+4 94104
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 2014, 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 the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-22.1). 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.

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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Statement 12
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Statement 12
(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)?
(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.)
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)? 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 2014?
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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? 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)
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?
b If "Yes," did it have excess business holdings in 2014 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 2014.)
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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 2014?

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 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)? 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. 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? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d). N/A 7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
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	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	

Total. Add lines 1 through 3 ▶ 0.

Part X

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	4,342,101.
b	Average of monthly cash balances	1b	426,048.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	4,768,149.
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	4,768,149.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	71,522.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,696,627.
6	Minimum investment return. Enter 5% of line 5	6	234,831.

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	234,831.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	19,834.
b	Income tax for 2014. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	19,834.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	214,997.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	214,997.
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	214,997.

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	236,722.
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	236,722.
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	236,722.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				214,997.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2014				
a From 2009	65,541.			
b From 2010	67,443.			
c From 2011	46,705.			
d From 2012	69,551.			
e From 2013	15,323.			
f Total of lines 3a through e	264,563.			
4 Qualifying distributions for 2014 from Part XII, line 4: ▶ \$	236,722.			
a Applied to 2013, 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 2014 distributable amount				214,997.
e Remaining amount distributed out of corpus	21,725.			
5 Excess distributions carryover applied to 2014 (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:	286,288.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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 2013. Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7	65,541.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	220,747.			
10 Analysis of line 9:				
a Excess from 2010	67,443.			
b Excess from 2011	46,705.			
c Excess from 2012	69,551.			
d Excess from 2013	15,323.			
e Excess from 2014	21,725.			

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 2014, enter the date of the ruling ▶

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

	Tax year		Prior 3 years		(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
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 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 or e-mail address 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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
Statement 13				168,000.
Total			▶ 3a	168,000.
b Approved for future payment				
None				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include: 1 Program service revenue, 2 Membership dues and assessments, 3 Interest on savings and temporary cash investments, 4 Dividends and interest from securities, 5 Net rental income or (loss) from real estate, 6 Net rental income or (loss) from personal property, 7 Other investment income, 8 Gain or (loss) from sales of assets other than inventory, 9 Net income or (loss) from special events, 10 Gross profit or (loss) from sales of inventory, 11 Other revenue, 12 Subtotal, 13 Total.

(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). The table contains multiple empty rows for reporting.

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

Source	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
Blackrock Temp Fund 24	126.	126.	
Total to Part I, line 3	126.	126.	

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
Corporate dividends	107,238.	0.	107,238.	107,238.	
Corporate interest	20,272.	0.	20,272.	20,272.	
US government interest	2,498.	0.	2,498.	2,498.	
To Part I, line 4	130,008.	0.	130,008.	130,008.	

Form 990-PF Other Income Statement 3

Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
Class action settlement	1,429.	1,429.	
Original issue discount	1,944.	1,944.	
Miscellaneous	7.	7.	
Total to Form 990-PF, Part I, line 11	3,380.	3,380.	

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	33,725.	8,431.		25,294.
Nyberg & Cassioppi, LLC	350.	88.		262.
To Fm 990-PF, Pg 1, ln 16a	34,075.	8,519.		25,556.

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
Union Bank, investment advisory fees	25,116.	25,116.		0.
Northern Trust, investment fees	13,093.	13,093.		0.
To Form 990-PF, Pg 1, ln 16c	38,209.	38,209.		0.

Form 990-PF	Taxes			Statement 6
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Foreign tax withheld	196.	196.		0.
2013 excise tax refund	<5,622.>	0.		0.
2014 excise tax	5,000.	0.		0.
2015 estimated excise tax	5,000.	0.		0.
To Form 990-PF, Pg 1, ln 18	4,574.	196.		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	75.	0.		75.
Franchise Tax Board, filing fee	10.	0.		10.
Postage expense	88.	0.		88.
Secretarial expense	1,455.	0.		1,455.
Tax preparation software fee	103.	0.		103.
Insurance	2,047.	512.		1,535.
ADR processing fee	5.	5.		0.
Class action fee	13.	13.		0.
To Form 990-PF, Pg 1, ln 23	3,796.	530.		3,266.

Form 990-PF	Corporate Stock		Statement 8
Description	Book Value	Fair Market Value	
Apple Inc Com, 3500 shs	49,075.	386,330.	
Danaher Corp, 1,800 shs	25,263.	154,278.	
DFA Dimensional Fund Advisors Intl Value, 11,816.61 shs	211,990.	208,563.	
DFA Dimensions US Core Equity 8980.26 shs	150,706.	160,926.	
DFA Invt Dimensions Intl Small Cap Value, 16,832.67 shs.	317,691.	313,088.	
Dimension Group Emerging Mkts Core Equity, 20,843.5 shares	414,994.	394,359.	
Flexshares TR Morningstar Global Nat Res Index Fd, 5034 shs	166,699.	154,141.	
Northern Intl Equity Index Fund, 41,702.15 shs	484,996.	466,230.	
Pepsico Inc, 2,200 shs	3,911.	208,032.	
United Technologies Corp, 1,400 shs	42,419.	161,000.	
Vanguard Index Small Cap 3770.23 shs	108,684.	210,643.	
Wells Fargo & Co New Com, 4,000 shs	75,288.	219,280.	
Total to Form 990-PF, Part II, line 10b	2,051,716.	3,036,870.	

Form 990-PF	Corporate Bonds	Statement	9
Description	Book Value	Fair Market Value	
Flexshares TR IBOXX 3 yr. target TIPS Indx FD, 4024 shs	99,916.	97,743.	
I shares 1-3 year Credit Bond ETF (CSJ), 5116 shs	540,095.	538,101.	
Ishares Intermediate Credit Bond ETF (CIU), 4908 shs	540,273.	536,592.	
Northern High Yield Fixed Inc Fund, 23,328.85 shs	173,154.	165,168.	
Total to Form 990-PF, Part II, line 10c	1,353,438.	1,337,604.	

Form 990-PF	Other Investments	Statement	10
Description	Valuation Method	Book Value	Fair Market Value
Dimensions Group Intl Real Estate Secs, 15,826.86 shs	COST	85,001.	82,943.
Dimensions Group Real Estate SEcs, 2844.98 shs	COST	85,008.	94,083.
Total to Form 990-PF, Part II, line 13		170,009.	177,026.

THE DRUM FOUNDATION

EIN: 94-6067469

Statement 11

Part IV: Capital Gains and Losses

Description	P/D	Date		Gross Sales Price Less		Gain
		Acquired	Date Sold	Fees	Basis	
12,000 units Aberdeen Asia-Pacific Fd	P	2012	7/22/2014	74,098	76,258	-2,160
1000 shares Amgen	P	pre-2012	10/3/2014	138,887	57,720	81,167
1000 shares AT&T	P	pre-2012	10/3/2014	35,219	23,170	12,049
600 shares Chevron	P	pre-2012	10/3/2014	70,528	3,053	67,475
2400 shares Cisco	P	pre-2012	10/3/2014	60,635	29,328	31,307
1000 shares ConocoPhillips	P	pre-2012	10/3/2014	74,666	40,787	33,879
1400 shares DuPont	P	pre-2012	10/3/2014	98,504	59,464	39,040
900 shares Exxon	P	pre-2012	10/3/2014	84,144	2,798	81,346
1500 shares General Electric	P	pre-2012	10/3/2014	37,874	1,363	36,511
1000 shares Illinois Too Wks Inc	P	pre-2012	10/3/2014	83,411	37,125	46,286
3000 shares Intel Corp.	P	pre-2012	10/3/2014	101,728	56,598	45,130
1000 shares IBM Corp.	P	pre-2012	10/3/2014	188,998	104,329	84,669
1000 shares Johnson & Johnson	P	pre-2012	10/3/2014	104,629	61,040	43,589
1200 shares McDonalds Corp.	P	pre-2012	10/3/2014	113,543	68,603	44,940
1000 shares Medtronics	P	pre-2012	10/3/2014	64,969	46,305	18,664
400 shares MFC Ishares TIPS	P	7/17/2014	10/3/2014	44,959	46,138	-1,179
500 shares Phillips 66	P	2012	10/3/2014	38,679	12,121	26,558
1000 shares Target	P	2012	10/3/2014	62,920	42,453	20,467
1000 shares Toyota Mtr Copr ADR	P	pre-2012	10/3/2014	115,969	75,719	40,250
1000 shares Walmart	P	pre-2012	10/3/2014	77,209	5,016	72,193
600 shares Wellpoint Inc.	P	pre-2012	10/3/2014	72,934	28,961	43,973
1819.371 shares Matthews Pac Tiger Fd	P	pre-2012	10/3/2014	51,033	40,914	10,119
2038.88 shares Amer New World Fd	P	2013	10/3/2014	118,663	116,239	2,424
3185.28 shares Trowe Mid Cap Growth	P	pre-2012	10/3/2014	242,464	226,604	15,860
41,701.26 shares Vanguard Fixed Inc Fd	P	pre-2012	10/3/2014	446,496	447,278	-782
11.656 shares Vanguard Fixed Inc Fd	P	pre-2012	10/3/2014	125	125	0
\$100,000 par Bank of America 4.5% due 4/01/15	P	pre-2012	10/3/2014	101,792	100,166	1,626
\$150,000 par Hewlett Packard 3% due 9/15/16	P	pre-2013	10/3/2014	155,222	153,363	1,859
\$100,000 par McDonalds Corp. 5.8% due 10/15/17	P	pre-2012	10/3/2014	112,707	100,800	11,907
\$50,000 par Pepsico Inc. bond 3.1% due 1/15/15	P	pre-2012	10/3/2014	50,336	50,248	88
Capital gain distributions:						
Distributions from mutual funds:						
DFA Invt. Dimensions Group Intl Small Cap long term			12/16/2014	5,691	0	5,691
DFA Invt. Dimensions Group Inc. US Core Equity long term			12/16/2014	709	0	709
Northern High Yield Fixed Income Fund long term			12/19/2014	2,408	0	2,408
Miscellaneous				869		869
Totals				3,024,210	2,114,086	918,932

THE DRUM FOUNDATION
EIN: 94-6067469
2014 Return of Private Foundation

Statement 12

Part VII-B, Line 1a

In 2014, 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 2014 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 2014 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
 2014 Return of Private Foundation

Statement 13

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	N/A	501(c)(3)	Support educational outreach	\$ 1,000
Carmelite Monastery of St. Joseph 1101 North River Road Des Plaines, IL 60016	N/A	501(c)(3)	General support for monastery	30,000
Catholics United for the Faith 827 North 4th Street Steubenville, OH 43925-1815	N/A	501(c)(3)	General support for religious organization	1,000
Daughters of St. Paul 3079 Oak Knoll Drive Redwood City, CA 94062	N/A	501(c)(3)	General support for charitable projects	2,500
De Marillac Academy 175 Golden Gate Avenue San Francisco, CA 94102	N/A	501(c)(3)	General support for 4th to 8th grade school	7,500
Dominican Sisters of Mission San Jose 43326 Mission Boulevard Fremont, CA 94539-5829	N/A	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	N/A	501(c)(3)	Support St. Clare's Retreat and Convent	15,000
Immaculate Conception Academy 3625 24th Street San Francisco, CA 94110-3607	N/A	501(c)(3)	Contribution to scholarship fund for high school	15,000
Junipero Serra High School 451 West 20th Avenue San Mateo, CA 94403-1385	N/A	501(c)(3)	Support tuition assistance program for high school	10,000
Keep the Faith, Inc. 70 Lake Street Ramsey, NJ 07446-2546	N/A	501(c)(3)	Support Latin Mass printing project	5,000

The Drum Foundation
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 2014 Return of Private Foundation

Statement 13

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

Recipient Name & Address	Relation- ship	Status	Purpose	Amount
The Lumen Christi Institute 1220 East 58th Street Chicago, IL 60637	N/A	501(c)(3)	General support for academic center	1,000
Marin Catholic High School 675 Sir Francis Drake Blvd. Kentfield, CA 94904	N/A	501(c)(3)	General support for high school	2,500
Mercy High School 2750 Adeline Drive Burlingame, CA 94010	N/A	501(c)(3)	Support tuition assistance program for high school	10,500
Mission Dolores Academy 3371 16th Street San Francisco, CA 94114	N/A	501(c)(3)	General support for K-8th grade school	5,000
Our Lady of Lourdes Convent 77 Locust Avenue San Rafael, CA 94901	N/A	501(c)(3)	Support infirmary	1,000
St. Anthony-Immaculate Conception School 299 Precita Avenue San Francisco, CA 94110	N/A	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	N/A	501(c)(3)	Support tuition assistance program for K-8 grade school	2,500
Saint James School 321 Fair Oaks Street San Francisco, CA 94110	N/A	501(c)(3)	General support for K to 8th grade school	12,500
St. Paul of the Shipwreck Church 1122 Jamestown Avenue San Francisco, CA 94124	N/A	501(c)(3)	Support religious education program	5,000
St. Peter's School 1266 Florida Street San Francisco, CA 94110	N/A	501(c)(3)	General support for K to 8th grade school	10,000

The Drum Foundation
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 2014 Return of Private Foundation

Statement 13

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

Recipient Name & Address	Relation- ship	Status	Purpose	Amount
St. Vincent de Paul Society of San Francisco 1237 Van Ness Avenue, Suite 200 San Francisco, CA 94109	N/A	501(c)(3)	Support the Help Desk program	1,000
Sacred Heart Cathedral Preparatory 1055 Ellis Street San Francisco, CA 94109-7795	N/A	501(c)(3)	General support for high school	2,500
Thomas Aquinas College 10000 North Ojai Road Santa Paula, CA 93060	N/A	501(c)(3)	Support scholarship fund	5,000
Woodside Priory 302 Portola Road Portola Valley, CA 94028	N/A	501(c)(3)	Support scholarship fund	<u>2,500</u>
Total Grants Paid in 2014				<u>168,000</u>