Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , 2016, and ending , 20

Name of foundation: The Traverse Foundation

A Employer identification number: 41-1734297

Number and street (or P O box number if mail is not delivered to street address): 200 South 6th Street

Room/suite: 4000

B Telephone number (see instructions): 650-701-7663

City or town, state or province, country, and ZIP or foreign postal code: Minneapolis, MN 55402

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 1,455,580.

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

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc, received (attach schedule)				
	2	Check ▶ ☑ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	34,995.	34,995.		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	130.			
	b	Gross sales price for all assets on line 6a 12,724				
	7	Capital gain net income (from Part IV line 2)		130.		
	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) (attach schedule)				
	11	Other income (attach schedule)	3,267.	0		
	12	**Total.** Add lines 1 through 11	38,392.	35,125.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)	5,574.	5,574.		
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	1,023.	1,023.		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	25.			25
	24	**Total operating and administrative expenses.** Add lines 13 through 23	6,622.	6,597.		25
	25	Contributions, gifts, grants paid	112,984.			112,984.
	26	**Total expenses and disbursements.** Add lines 24 and 25	119,606	6,597.		113,009.
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	(81,214.)			
	b	**Net investment income** (if negative, enter -0-)		28,528.		
	c	**Adjusted net income** (if negative, enter -0-)				

SCANNED MAY 26 2017

RECEIVED MAY 22 2017 OGDEN, UT

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	62,260.	69,111	69,111.
2	Savings and temporary cash investments			
3	Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
4	Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
7	Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U S. and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)			
c	Investments—corporate bonds (attach schedule)			
11	Investments—land, buildings, and equipment. basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)	1,425,063	1,400,708.	1,386,469
14	Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1 item I)	1,487,323.	1,469,819.	1,455,580.
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 (attach schedule)			
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 ▶ ☑ **and complete lines 24 through 26 and lines 30 and 31.**			
24	Unrestricted	1,487,323.	1,469,819.	
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ **and complete lines 27 through 31.**			
27	Capital stock trust principal or current funds			
28	Paid-in or capital surplus, or land bldg., and equipment fund			
29	Retained earnings. accumulated income, endowment or other funds			
30	**Total net assets or fund balances** (see instructions)	1,487,323.	1,469,819	
31	**Total liabilities and net assets/fund balances** (see instructions)	1,487,323.	1,469,819.	

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	1,487,323.
2	Enter amount from Part I, line 27a	2	(81,214.)
3	Other increases not included in line 2 (itemize) ▶ Stock in Part I, line 25. FMV less BV and timing of $29.	3	63,710
4	Add lines 1, 2, and 3	4	1,469,819
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	1,469,819

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	Vanguard Total Bond Index, 454.5870 shares	P	11/05/14	09/14/16
b	Vanguard Total World Stock Index, 130 shares	P	05/21/14	09/14/16
c	Publicly Traded Securities (Capital Gain Distributions)	P	various	various
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	5,000.		4,933.	67.
b	7,724.		7,848.	(124.)
c				187.
d				
e				

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

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

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	130.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2015	91,980	1,544,363.	05956
2014	135,869	1,551,777	08756
2013	64,325.	1,431,117.	.04495
2012	64,025.	1,305,953.	04903
2011	62,025	1,282,433.	04837

2	**Total** of line 1, column (d)	2	0.28947.
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.05789
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	1,439,321
5	Multiply line 4 by line 3	5	83,328
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	285.
7	Add lines 5 and 6	7	83,613.
8	Enter qualifying distributions from Part XII, line 4	8	113,009.

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 ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter ______ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	285.
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	285.
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	285.
6	Credits/Payments:		
a	2016 estimated tax payments and 2015 overpayment credited to 2016 — 6a: 272.		
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	272.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	0
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	13.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be. **Credited to 2017 estimated tax ▶** Refunded ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		✓
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		✓
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*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		✓
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?	6	✓	
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*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Minnesota			
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*	8b	✓	
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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	

Website address ▶ None

14 The books are in care of ▶ Norman W Harris III Telephone no. ▶ 650-701-7663

Located at ▶ 1200 Hillview Drive, Menlo Park, CA ZIP+4 ▶ 94025-5511

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 |

			Yes	No
16	At any time during calendar year 2016, 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		✓
	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? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☑ No			
b	If any answer is 'Yes' to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	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 2016?	1c		✓
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20___ , 20___ , 20___ , 20___			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20___ , 20___ , 20___ , 20___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2016 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 2016.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
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 2016?	4b		✓

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)?	5b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		✓
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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 Schedule 3				

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

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

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 None	
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	1,461,240.
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	1,461,240.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	1,461,240.
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	21,919
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,439,321.
6	**Minimum investment return.** Enter 5% of line 5	6	71,966.

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	71,966.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	285.		
b	Income tax for 2016 (This does not include the tax from Part VI)	2b	0		
c	Add lines 2a and 2b			2c	285.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	71,681.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	71,681.
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	71,681.

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	113,009.
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	113,009.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	285.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	113,294.

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 2015	(c) 2015	(d) 2016
1	Distributable amount for 2016 from Part XI, line 7				71,681.
2	Undistributed income, if any, as of the end of 2016.				
a	Enter amount for 2015 only			0.	
b	Total for prior years: 20___,20___,20___		0		
3	Excess distributions carryover, if any, to 2016:				
a	From 2011				
b	From 2012				
c	From 2013				
d	From 2014 36,504.				
e	From 2015 15,306.				
f	**Total** of lines 3a through e	51,810.			
4	Qualifying distributions for 2016 from Part XII, line 4 ▶ $ 113,009.				
a	Applied to 2015, 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 2016 distributable amount				71,681.
e	Remaining amount distributed out of corpus	41,328.			
5	Excess distributions carryover applied to 2016 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0			
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	93,138.			
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 2015 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f	Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				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 2011 not applied on line 5 or line 7 (see instructions)	0.			
9	**Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a	93,138.			
10	Analysis of line 9				
a	Excess from 2012				
b	Excess from 2013				
c	Excess from 2014 36,504.				
d	Excess from 2015 15,306.				
e	Excess from 2016 41,328.				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, 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			
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

Norman W. Harris III

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

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 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 Schedule #4				
Total ▶ 3a				112,984.
b *Approved for future payment*				
See Schedule #4				
Total ▶ 3b				150,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions.)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	34,995.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	130.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a Tax refund				3,267	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d) and (e)				38,392.	

13 **Total.** Add line 12, columns (b), (d) and (e) . . . 13 38,392.

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

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

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) (See instructions.)
11a	Refund of 4940 excise taxes due to overpayment in prior year

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

			Yes	No
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 (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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 (other than section 501(c)(3)) or in section 527? ☐ Yes ☑ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return including accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

h. k. Thomas | 5-14-17 | Treasurer

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no	

Form 990-PF 2016

The Traverse Foundation #41-1734297

	Column (a)	Column (b)	Column (d)
Part I, Line 11 4940 taxes refunded	3,267	NA	NA
Part I, Line 16c Agency fees	5,574	5,574	NA
Part I, Line 18 Foreign taxes	1,023	1,023	NA
Part I, Line 23 Minnesota filing fee	25.	NA	25.

The Traverse Foundation #41-1734297

Part II	Beginning of Year Book Value 12/31/2015	End of Year Book Value 12/31/2016	End of Year Market Value 12/31/2016
C. Schwab Cash Fund A	39,925	21,572	21,572
Checks Outstanding	(25,000)	(6,500)	(6,500)
Fund A Cash (net)	14,925	15,072	15,072
C. Schwab Cash Fund B	47,335	54,039	54,039
Line 1: Cash	62,260	69,111	69,111
Schwab Investments A	279,553	266,713	264,030
Schwab Investments B	1,145,510	1,133,995	1,122,439
Line 13: Investments	1,425,063	1,400,708	1,386,469
Line 16: Total Assets	1,487,323	1,469,819	1,455,580

charles SCHWAB

Schwab One® Account of
THE TRAVERSE FOUNDATION
FUND A

Statement Period
December 1-31, 2016

Investment Detail - Cash and Money Market Funds [Sweep]

Cash	Market Value
Cash	76 87
[redacted]	

Money Market Funds [Sweep]	Quantity	Market Price	Market Value	Current Yield
SCHWAB GOVT MONEY FUND SWGXX	21,495 1400	1 0000	21,495.14	0 01%
[redacted]				
[redacted]				

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be *incomplete or unavailable for some of your holdings*
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

Schedule 2-A

charles SCHWAB

Schwab One® Account of
THE TRAVERSE FOUNDATION
FUND A

Statement Period
December 1-31, 2016

Investment Detail - Mutual Funds

Bond Funds	Quantity	Market Price	Market Value	Average Cost Basis	Cost Basis	Unrealized Gain or (Loss)
VANGUARD TOTAL BOND MKT INDEX ADMIRAL SHR SYMBOL VBTLX	3 446 2620	10 6500	36,702 69	10.84	37,353 35	(650 66)
[redacted]						

Equity Funds	Quantity	Market Price	Market Value	Average Cost Basis	Cost Basis	Unrealized Gain or (Loss)
DFA COMMODITY STRATEGY PORT SYMBOL DCMSX	2,801 0080	5 9900	16,778 04	8.62	24,141.37	(7,363.33)
DFA INTL REAL ESTATE SECURITIES PORT INSTL SYMBOL DFITX	416 5150	4 7000	1,957 62	5 52	2,300 00	(342.38)
[redacted]						

Investment Detail - Other Assets

Other Assets	Quantity / Units Purchased	Market Price / Cost Per Share	Market Value / Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield / Holding Days	Estimated Annual Income / Holding Period
VANGUARD REIT ETF	**61.0000**	**82.5300**	**5,034.33**		**3,386.50**	**8.21%**	**413.58**
SYMBOL VNQ	61 0000	27 0136	1,647 83[1]	02/02/09	3,386 50	2889	Long-Term

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

Schwab One® Account of
THE TRAVERSE FOUNDATION
FUND A

Statement Period
December 1-31, 2016

Investment Detail - Other Assets (continued)

Other Assets (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
VANGUARD TOTAL WORLD	**3,337.0000**	**61.0000**	**203,557.00**		**2,286.69**	**2.99%**	**6,100.04**
STOCK ETF	209.0000	60.3722	12,617 79	05/21/14	131.21	955	Long-Term
SYMBOL VT	600.0000	60 3691	36,221 51	05/21/14	378 49	955	Long-Term
	677 0000	60 3721	40,871 96	05/21/14	425.04	955	Long-Term
	1 800 0000	60 3691	108,664 52	05/21/14	1,135.48	955	Long-Term
	51 0000	56 7554	2,894 53	09/02/15	216 47	486	Long-Term
Cost Basis			*201,270 31*				
Total Other Assets	3,395.0000		208,691.3[illegible]		5,673.19		6,513.[illegible]
		Total Cost Basis:	*202,918.14*				

Estimated Annual Income ("EAI") and Estimated Yield ("EY") calculations are for informational purposes only The actual income and yield might be lower or higher than the estimated amounts. EY is based upon EAI and the current price of the security and will fluctuate For certain types of securities, the calculations could include a return of principal or capital gains in which case EAI and EY would be overstated EY and EAI are not promptly updated to reflect when an issuer has missed a regular payment or announced changes to future payments, in which case EAI and EY will continue to display at a prior rate

Total Investment Detail	[illegible]

Total Account Value	285,601.[illegible]
Total Cost Basis	[illegible]

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings.
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

charles SCHWAB

Schwab One® Account of
THE TRAVERSE FOUNDATION
FUND B

Statement Period
December 1-31, 2016

Investment Detail - Cash and Money Market Funds [Sweep]

Cash	Market Value
Cash	350 09
[redacted]	

Money Market Funds [Sweep]	Quantity	Market Price	Market Value	Current Yield
SCHWAB GOVT MONEY FUND SWGXX	53,688 9000	1 0000	53,688 90	0.01%
[redacted]				

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

Schwab One® Account of
THE TRAVERSE FOUNDATION
FUND B

Statement Period
December 1-31, 2016

Investment Detail - Mutual Funds

Bond Funds	Quantity	Market Price	Market Value	Average Cost Basis	Cost Basis	Unrealized Gain or (Loss)
VANGUARD TOTAL BOND MKT INDEX ADMIRAL SHR SYMBOL· VBTLX	15,691 9550	10 6500	167,119 32	10 84	170,024 81	(2,905.49)
[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]

Equity Funds	Quantity	Market Price	Market Value	Average Cost Basis	Cost Basis	Unrealized Gain or (Loss)
DFA COMMODITY STRATEGY PORT SYMBOL DCMSX	13,228 8180	5 9900	79,240.62	8 23	108,850.00	(29,609 38)
DFA INTL REAL ESTATE SECURITIES PORT INSTL SYMBOL DFITX	1,487.2960	4 7000	6,990 29	5 51	8,200 00	(1,209.71)
Total Equity Funds	14,716 1140		86,230.91		[illegible]	[illegible]

Total Mutual Funds	30 408 0690		253,350.23		[illegible]	[illegible]

Investment Detail - Other Assets

Other Assets	Quantity / Units Purchased	Market Price / Cost Per Share	Market Value / Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield / Holding Days	Estimated Annual Income / Holding Period
VANGUARD REIT ETF	**222.0000**	**82.5300**	**18,321.66**		**12,324.68**	**8.21%**	**1,505.16**
SYMBOL VNQ	222 0000	27 0134	5,996 98[1]	02/02/09	12,324.68	2889	Long-Term

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be *incomplete or unavailable* for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

charles SCHWAB

Schwab One® Account of
THE TRAVERSE FOUNDATION
FUND B

Statement Period
December 1-31, 2016

Investment Detail - Other Assets (continued)

Other Assets (continued)	**Quantity** Units Purchased	**Market Price** Cost Per Share	**Market Value** Cost Basis	Acquired	**Unrealized Gain or (Loss)**	**Estimated Yield** Holding Days	**Estimated Annual Income** Holding Period
VANGUARD TOTAL WORLD	**13,947.0000**	**61.0000**	**850,767.00**		**9,844.19**	**2.99%**	**25,495.12**
STOCK ETF	100 0000	60 3506	6,035 06	05/21/14	64.94	955	Long-Term
SYMBOL VT	100.0000	60 3506	6,035 06	05/21/14	64 94	955	Long-Term
	100 0000	60 3506	6,035 06	05/21/14	64 94	955	Long-Term
	200 0000	60 3506	12,070 12	05/21/14	129 88	955	Long-Term
	300 0000	60 3506	18,105 18	05/21/14	194 82	955	Long-Term
	400 0000	60 3506	24,140 25	05/21/14	259 75	955	Long-Term
	407 0000	60 3506	24,562.70	05/21/14	264 30	955	Long-Term
	600 0000	60 3606	36,216 37	05/21/14	383 63	955	Long-Term
	700 0000	60 3506	42,245 43	05/21/14	454 57	955	Long-Term
	800 0000	60 3406	48,272 49	05/21/14	527 51	955	Long-Term
	800 0000	60 3406	48,272 49	05/21/14	527 51	955	Long-Term
	1 000 0000	60 3506	60,350 61	05/21/14	649 39	955	Long-Term
	1 000 0000	60 3506	60,350 61	05/21/14	649 39	955	Long-Term
	1 100 0000	60 3406	66,374 67	05/21/14	725 33	955	Long-Term
	1,200.0000	60 3406	72,408 74	05/21/14	791.26	955	Long-Term
	1,435 0000	60 3606	86,617.49	05/21/14	917 51	955	Long-Term
	3,500 0000	60 3506	211,227 14	05/21/14	2,272 86	955	Long-Term
	205 0000	56 6016	11,603 34	09/02/15	901 66	486	Long-Term
Cost Basis			*840,922.81*				
[illegible]	[illegible]	Total Cost Basis	[illegible]		[illegible]	[illegible]	[illegible]

Estimated Annual Income ("EAI") and Estimated Yield ("EY") calculations are for informational purposes only The actual income and yield might be lower or higher than the estimated amounts EY is based upon EAI and the current price of the security and will fluctuate. For certain types of securities, the calculations could include a return of principal or capital gains in which case EAI and EY would be overstated EY and EAI are not promptly updated to reflect when an issuer has missed a regular payment or announced changes to future payments, in which case EAI and EY will continue to display at a prior rate.

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

charles SCHWAB

Schwab One® Account of
THE TRAVERSE FOUNDATION
FUND B

Statement Period
December 1-31, 2016

Investment Detail - Total

[redacted]

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

Part VIII, Line 1

Name and address (a)	Title and time (b)	Compensation (c, d, e)
Norman W. Harris III The Traverse Foundation 200 S. 6th Street, Suite 4000 Minneapolis, MN 55402	President,Treasurer and Director .4 hours/week	None
Blake C. Harris The Traverse Foundation 200 S. 6th Street, Suite 4000 Minneapolis, MN 55402	Director .1 hours/week	None
Norman W. Harris IV The Traverse Foundation 200 S. 6th Street, Suite 4000 Minneapolis, MN 55402	Director .1 hours/week	None
Linda B. Harris The Traverse Foundation 200 S. 6th Street, Suite 4000 Minneapolis, MN 55402	Secretary and Director .2 hours/week	None
Leslie T. Harris The Traverse Foundation 200 S. 6th Street, Suite 4000 Minneapolis, MN 55402	Director .1 hours/week	None

Part XV, Line 3a Grants and Contributions Paid during the Year

Recipient: Name and address	Status	Purpose of Grant	Amount
Grace Wilsey Foundation PO Box 114 Menlo Park, CA 94026	PC	Medical research	3,500
There With Care of the Bay Area 3475 Edison Way, Suite H Menlo Park, CA 94025	PC	General operating support	5,500
Friends of Alta Alta, Utah 84092	PC	Environmental protection	3,000
Harbor Springs Area Historical Society PO Box 812 Harbor Springs, MI 49740	PC	General operating support	2,000
Little Traverse Conservancy 3264 Powell Road Harbor Springs, MI 49740	PC	General operating support	2,000
Peninsula Open Space Trust 222 High Street Palo Alto, CA 94301	PC	General operating support	1,000
AFS-USA, Inc. One Whitehall Street New York, NY 10004	PC	Scholarships	2,000

The Nature Conservancy: Minnesota Chapter* 1101 West River Parkway, Suite 200 Minneapolis, MN 55415-1291	PC	Land protection	69,442
The Nature Conservancy: Massachusetts Chapter* 99 Bedford Street, 5th Floor Boston, MA 02111	PC	Land protection	5,542
*06-16-2016 Stock grant: FMV=Mean of High & Low 494 shares of DIS (Walt Disney Co.) 319 shares of WMT (Wal-Mart Inc.)			
The Nature Conservancy Minnesota Chapter 1101 West River Parkway, Suite 200 Minneapolis, MN 55415-1291	PC	General operating support	5,000
Petoskey-Harbor Springs Community Fdn 616 Petoskey Street, Suite 203 Petoskey, MI 49770	PC	Youth foundation projects	2,000
Lucille Packard Foundation 400 Hamilton Street, Suite 340 Palo Alto, CA 94301	PC	Surgery anxiety reduction	10,000
The Nature Conservancy: California Chapter 201 Mission Street, 4th Floor San Francisco, CA 94105	PC	General operating support	2,000
Total Line 3a			**112,984**

The Traverse Foundation #41-1734297

Part XV, Line 3b Grants and Contributions Approved for future payment

Recipient: Name and address	Status	Purpose of Grant	Amount
Lucille Packard Foundation 400 Hamilton Street, Suite 340 Palo Alto, CA 94301	PC	Surgery anxiety reduction	150,000
Total Line 3b			**150,000**

Schedule 4